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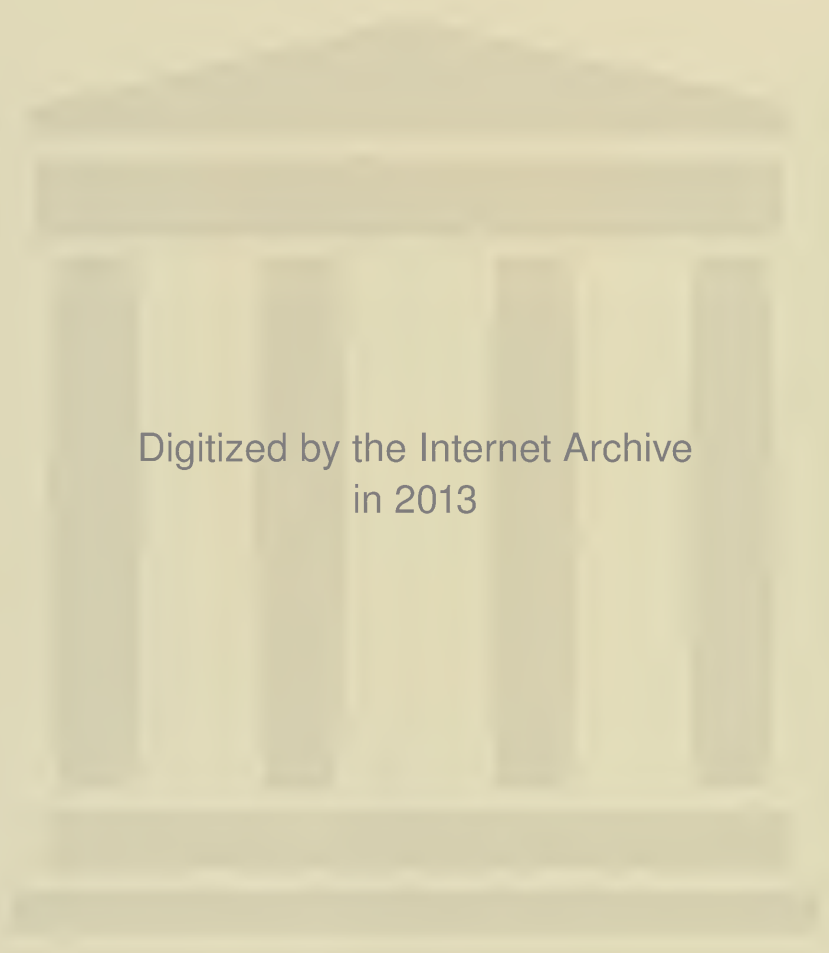
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BOARD of SUPERVISORS



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June 27, 1996

NOTICE OF CANCELLED MEETING

NOTICE IS HEREBY GIVEN that the regularly scheduled meeting of the Budget Committee for JULY 3, 1996, at 1:00 P.M., has been cancelled.

The next regular meeting of the Budget Committee will be held on Wednesday, JULY 10, 1996, at 1:00 P.M., in the Room 410, Veterans Building, 401 Van Ness Avenue.

Handwritten signature of John L. Taylor.
John L. Taylor
Clerk of the Board

POSTED: June 27, 1996

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MINUTES

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REGULAR MEETING
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, JULY 10, 1996 - 1:00 P.M.

VETERANS BUILDING
401 VAN NESS AVENUE
ROOM 410

MEMBERS: SUPERVISORS TOM HSIEH, BARBARA KAUFMAN, SUE BIERMAN

ACTING CLERK: ROSEMARY LITTLE-HORANZY

1. File 97-96-32. [Environmental Review Fees] Ordinance amending Administrative Code by amending Section 31.46A, to extend the September 30, 1996 Sunset Clause to September 30, 1997, and adjust fees currently charged for Environmental Review actions, activities, and procedures; companion measure to File 115-96-6. (Department of City Planning)
(Statutory Exemption per Public Resources Code Sec. 21080(b)(8).)

SPEAKERS: Harvey Rose, Budget Analyst; Ted Lakey, Deputy City Attorney

ACTION: Hearing held. RECOMMENDED.

2. File 115-96-6. [Planning Fees] Ordinance amending Article 3.5 and Article 3.5A of the City Planning Code amending Sections 350 et seq. to extend the September 30, 1996 Sunset Clause to September 30, 1997, impose new fees and adjust fees currently charged for Department of City Planning actions, activities, and services; companion measure to File 97-96-32. (City Planning Commission Resolution No. 14114) (Department of City Planning)

SPEAKERS: Harvey Rose, Budget Analyst; Ted Lakey, Deputy City Attorney

ACTION: Hearing held. AMENDED. RECOMMENDED AS AMENDED.
Amend Page 11, Line 17 by replacing "\$600" with "\$60"

3. File 97-96-39. [Tax Collector, - Administrative Fees] Ordinance amending the Administrative Code by adding Section 8.34-1, establishing fees for the administrative costs of the Tax Collector to process documents relating to tax bills. (Supervisor Hsieh)

ACTION: Hearing held. RECOMMENDED.

4. File 124-96-5. [Parking Revenue Fund] Ordinance amending Traffic Code Section 213 relating to use of monies in parking meter revenue account concerning general fund amount, for fiscal year 1996-97. (Supervisor Hsieh)

ACTION: Hearing held. RECOMMENDED.

5. File 97-96-11.1. [Possessory Interest Taxes] Ordinance amending Administrative Code, by adding Section 6.63-1 to provide that all agreements for private use of City property include an acknowledgment of the private party's potential liability for possessory interest taxes unless the Board of Supervisors specifically authorizes and approves the City's assumption of any such liability, and by adding Section 6.63-2 relating to reports to the Assessor; and amending Chapter 23 to refer to these new sections. (Supervisor Ammiano)

ACTION: Hearing held. RECOMMENDED.

6. File 28-96-6. [Sewer Emergency] Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace structurally inadequate sewer in Hyde Street between Ellis and O'Farrell Streets, South Hill Boulevard between Winding Way and Chicago Way, the Sweeny Street easement between Sweeny Street and West View Avenue and Hallam Street at the Folsom Street Intersection - \$257,913. (Department of Public Works)

ACTION: Hearing held. RECOMMENDED.

7. File 28-96-7. [Emergency Repair, Paceco Crane at Pier 80] Resolution approving a declaration of emergency for repair of broken boom on a crane at the Port of San Francisco's Pier 80 North Container Terminal (foot of Caesar Chavez Street). (Port Commission)

ACTION: Hearing held. RECOMMENDED.

8. File 47-96-5. [Parking Rates - City-Owned Parking Facilities] Resolution approving new parking rates for eight (8) City-owned parking facilities. (Department of Parking and Traffic)

ACTION: Hearing held. RECOMMENDED.

9. File 96-96-1. [Sale of Surplus City-owned Property] Resolution confirming sale of surplus City-owned property. (Assessor's Block 6203, Lot 2, 400 Campbell St.; Assessor's Block 513, Lot 15, 2475 Greenwich St.) (Also see Files 96-93-5 and 96-95-3) (Real Estate Department)

ACTION: Hearing held. RECOMMENDED.

10. File 170-95-11.1. [Reimbursement for Moscone Bonds] Resolution declaring the official intent of the City and County of San Francisco to reimburse certain expenditures from proceeds of future indebtedness incurred for the acquisition and construction of additional Convention Center Facilities. (Chief Administrative Officer)

ACTION: Hearing held. RECOMMENDED.

RELEASE OF FUNDS

11. File 94-92-8.1. [Reserved Funds, Municipal Railway] Hearing to consider release of reserved funds, Municipal Railway (Federal Surface Transportation Funds), in the amount \$589,000 to fund departmental work orders, contractual services, as well as direct and indirect MUNI expenses related to MUNI Metro Dynamic Envelope Project. (Municipal Railway)

ACTION: Hearing held. Release of \$90,000 approved. FILED.

12. File 133-92-2.10. [Reserved Funds, CAO/Solid Waste Management] Hearing to consider release of reserved funds, Chief Administrative Officer/Solid Waste Management Program (Sanitary Fill Company grant funds), in the amount of \$16,133 for contractual services of O'Rourke Public Relations, to develop outreach programs for the market development projects. (CAO/Solid Waste Management Program)

ACTION: Hearing held. Release of \$16,133 approved. FILED.

13. File 101-94-89.1. [Reserved Funds, Department of Public Works] Hearing requesting release of reserved funds, Department of Public Works (Special Recreation and Park Revenue Funds - Rent Credit from San Francisco 49ers), in the amount of \$141,000 for improvements to Candlestick Park for the 1999 Super Bowl. (Department of Public Works)
(Cont'd from 7/19/95)

ACTION: Hearing held. TABLED.

14. File 101-95-48.3. [Reserved Funds, Art Commission] Hearing to consider release of reserved funds, Art Commission (Reserve for Cultural Centers) in the amount totaling \$132,194 to fund the following capital improvement projects: Bayview Opera House \$30,075; Mission Cultural Center for Latino Arts \$10,660; Center for African & African American Art and Culture (CAAAC) \$42,097; and South of Market Cultural Center (SOMAR) \$49,362. (Art Commission)

ACTION: Hearing held. Release of \$128,296 approved. FILED.

15. File 101-95-61.1. [Reserved Funds, Fire Department] Hearing to consider release of reserved funds, Fire Department (1986 Fire Protection Bond Interest earnings) in the amount of \$61,688.88 to fund the design, construction management, and the construction of the Grant and Pacific Avenue AWS facilities. (Fire Department)

ACTION: Hearing held. Release of \$61,688.88 approved. FILED.

16. File 101-95-65.1. [Reserved Funds, Department of Human Resources] Hearing to consider release of reserved funds, Department of Human Resources (1995/96 Budget) in the amount of \$146,250 for outside professional services for collective bargaining negotiations, including arbitration, court reporter fees, expert testimony, and economic research costs. (Department of Human Resources)

ACTION: Hearing held. Release of \$146,015 approved. FILED.

MARKED CALENDAR

ADDENDUM CALENDAR

WEDNESDAY, JULY 10, 1996 - 1:00 P.M.

VETERANS BUILDING
401 VAN NESS AVENUE
ROOM 410

MEMBERS: SUPERVISORS TOM HSIEH, BARBARA KAUFMAN, SUE BIERMAN

ACTING CLERK: ROSEMARY LITTLE-HORANZY

ADDENDUM CALENDAR

17. File 60-96-6. [Special Election] Ordinance calling and providing for a Special Election to be held in the City and County of San Francisco on Tuesday, November 5, 1996, for the purpose of submitting to the voters of the City and County of San Francisco propositions to incur the following bonded debts of the City and County: (1) \$73,300,000 for the acquisition, construction and/or reconstruction of a new museum facility to replace the De Young Museum; and (2) \$100,000,000 for the financing of the low-income housing and down-payment assistance to low and moderate first-time homebuyers; and that the estimated cost of said projects is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require expenditures greater than the amount allowed therefor by the annual tax levy; reciting the estimated costs of such projects; fixing the date of election and the manner of holding such election and the procedure for voting for or against the propositions; fixing the maximum rate of interest on said bonds and providing for the levy and collection of taxes to pay both principal and interest thereof; prescribing notice to be given of such election; consolidating the Special Election with the General Election; and providing that the election precincts, voting places and officers for election shall be the same as for such General Election. (Supervisors Shelley, Leal) Referred to Budget with request it be considered on July 10, 1996.

SPEAKERS: Harvey Rose, Budget Analyst; Mindy Linetzky, Legislative Aide of Supervisor Kevin F. Shelley; Neal Taniguchi, Chief Administrative Office

ACTION: Hearing held. AMENDED. Amendment of the Whole presented in Committee bearing same title as above adopted. RECOMMENDED AS AMENDED.

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CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS**BUDGET ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

July 3, 1996

DOCUMENTS DEPT.

TO: Budget Committee**FROM:** Budget Analyst *Recommendation for meeting of*

JUL 08 1996

SAN FRANCISCO
PUBLIC LIBRARY**SUBJECT:** July 10, 1996 Budget Committee MeetingItems 1 and 2 - Files 97-96-32 and 115-96-6**Department:** Department of City Planning**Item:**

Item 1 - File 97-96-32 Ordinance amending Administrative Code by amending Section 31.46A, to extend the September 30, 1996 Sunset Clause to September 30, 1997, and adjust fees currently charged for Environmental Review actions, activities, and procedures.

Item 2 - File 115-96-6 Ordinance amending Article 3.5 and Article 3.5A of the City Planning Code by amending Sections 350 et seq. to extend the September 30, 1996 Sunset Clause to September 30, 1997, impose new fees and adjust fees currently charged for Department of City Planning actions, activities, and services.

Description:

The proposed ordinances would amend the Planning Code and the Administrative Code to reflect new fees and changes in existing fees charged by the Department of City Planning (DCP) for various services, reviews and reports which are required in accordance with the City's planning, zoning, and environmental protection responsibilities. The proposed new fees and changes to fees are as follows;

New fees are proposed as follows;

- To receive agendas of the Landmarks Preservation Advisory Board, a new fee of \$10 annually to cover mailing costs,
- To reactivate an application which was deemed withdrawn due to inactivity, a new fee of \$1,000 plus time and materials, with the total charge not to exceed two times the initial fee for the project without providing a prior estimate of the cost. Reactivation is subject to approval of the Zoning Administrator or of the Environmental Review Officer, and must be within 6 months of the original application,
- For discretionary review of a project due to some specific action of the Planning Commission; a new fee of \$150 for two hours staff time, plus time and materials for work exceeding two hours,
- For processing and administering an application for a Historical Property Contract under the California Mills Act, a new fee of \$322 for the first four hours of staff time, plus time and materials for work exceeding four hours. A Historical Property Contract allows a property owner a Property Tax reduction based on a formula specified in the California Mills Act,

Changes to existing fees are proposed as follows:

- Currently, fees must be paid in full at the time of application. The proposed ordinance would allow the Zoning Administrator and the Environmental Review Officer to authorize phased payment of fees for a project spanning more than one fiscal year.
- A reduction in the fee for the second and each subsequent block (Assessor's block) of a zoning reclassification that affects more than one block from \$600 to \$60. The fee for the first block of a zoning reclassification would remain unchanged at \$3,000.
- A reduction in the fee for public notification associated with projects requiring special notices from \$40 for the first half hour of staff time to \$40 for the first hour of staff time.
- A reduction in the surcharge applied to all DCP fees to provide funds for computerization of the Department's operations from the current 8.5% to 1.8%, and extension of this surcharge from its current expiration date of June 30, 1996 to June 30, 1997 (See Comment No. 2)

In addition to the new fees and changes to fee listed above, the proposed ordinances authorize an extension of all other planning fees and environmental review fees at the current levels. DCP fee levels were significantly increased in FY 1992-93 in order to provide increased staffing to eliminate permit backlogs and provide better service. At that time, a "sunset clause" was included in the Planning Code and the Administrative Code requiring that public hearings be held by the Planning Commission to evaluate the DCP's success in improving permit processing and the continued need for the increased fee levels. Public hearings have been held, and the fee levels retained, on an annual basis each year since FY 1992-93. The proposed ordinances would extend the fee levels again, and continue the requirements of the sunset clause for an additional year, to September 30, 1997.

Comments:

1. The net estimated increase in revenues for FY 1996-97 resulting from the new fees and changes in existing fees included in the proposed ordinances is a total of \$62,350. The estimated revenues resulting from the computerization surcharge total \$73,500. These revenues, totaling \$135,850 related to fees contained in the proposed ordinances, have been included in the estimated total fee amount of \$4,072,994, which is included in the DCP's FY 1996-97 budget.

2. In addition to the DCP's base fees, a surcharge of 10 percent was added to all DCP fees from 1991 to May of 1995, to provide funds for the capital cost of computerization of the Department's operations. In May of 1995, the Budget Analyst recommended, and the Board of Supervisors approved, a DCP request to reduce the computerization surcharge to 8.5 percent and extend it to June 30, 1996. At that time, using the funds generated by the 8.5 percent surcharge, the DCP was able to upgrade all computers that required such an upgrade to 486 or Pentium microprocessors. The DCP advises that the 1.8 percent surcharge level contained in the proposed FY 1996-97 budget, and included in the proposed ordinances, is at a level that will support the Department's ongoing needs for upgrading hardware and software as programs and equipment become outdated. As noted above, this surcharge will produce revenues of approximately \$73,500 in FY 1996-97.

Recommendation: Approve the proposed ordinances.

Item 3 - File 97-96-39

Department: Treasurer/Tax Collector

Item: Ordinance amending the San Francisco Administrative Code by adding Section 8.34.1 thereto establishing fees for the administrative costs of the Tax Collector to process documents relating to tax bills.

Description: The proposed ordinance would add Section 8.34.1 to the Administrative Code to permit the Tax Collector to charge fees for processing three types of documents related to tax bills. The three new fees relate to the following activities:

(1) Applications for Separate Valuation: A processing fee of \$50 would be collected by the Tax Collector from persons who apply to have any parcel separately valued on the current roll for tax purposes. Mr. Francis Nguyen of the Tax Collector's Office states that such an application would occur when a building is converted into a condominium, time share or is otherwise divided into more than one unit. Section 2821 of the California Revenue and Taxation Code authorizes collection of the subject processing fee.

(2) Installment Payments for Delinquent Property Taxes: A processing fee of \$20 would be collected by the Tax Collector from persons who request to pay delinquent property taxes in installments. Such a processing fee is authorized under Section 4217 of the California Revenue and Taxation Code.

(3) Preparation and Provision of Certain Documents: A preparation fee of \$1 would be collected by the Tax Collector from persons who request preparation of any of the following documents:

- A certified copy of a redemption certificate. (A redemption certificate shows that all property taxes owed the City have been paid.)
- A certified copy of an installment redemption receipt.
- A certificate of payment showing taxes paid.
- A certified copy of an assessment as entered on the assessment role.

In addition to the \$1 preparation fee, if a person wishes to obtain a copy of the above documents, the proposed ordinance would authorize the Tax Collector to charge another \$1, plus

the actual cost of \$2.75 for photocopying and mailing the document. In other words, the total cost for preparation of the above-listed documents and processing of a copy of such documents would be \$4.75. The proposed fees are authorized under Section 162 of the California Revenue and Taxation Code.

Comments:

1. The proposed processing fees are based on the Tax Collector's estimate of the actual costs incurred in processing the various applications and documents described above. The Tax Collector's itemized cost estimates are attached to this report.

Tax Collector Mr. Richard Sullivan states that his office proposes to charge \$50, rather than the \$52.13 estimated cost of processing a request for separate valuation, in order to simplify the fee collection process by using a round number. For the same reason, the Tax Collector proposes to charge \$20 for processing installment payments on delinquent property taxes, although the actual cost estimate is \$21.86.

The cost estimate for copying and mailing any of the certified documents listed above in the description is \$2.75. According to Ms. Mary Jane Sylvia of the City Attorney's Office, under the terms of Section 162 of the California Revenue and Taxation Code, the Tax Collector is authorized to charge \$1 for preparation of such documents, and is authorized to charge the actual cost of \$2.75 for photocopying and mailing plus another \$1.00 for processing (i.e. copying and mailing) of such documents. Mr. Sullivan states that the Tax Collector therefore plans to charge a total of \$4.75 for preparation and provision of the subject certified documents, if the proposed \$1.00 preparation and \$1 processing fees are approved. Ms. Sylvia advises that, under the terms of Section 67.28 of the Administrative Code (the Sunshine Ordinance), the Tax Collector will be required to post the cost calculation for the document fee that is attached to this report in the Tax Collector's Office.

2. The Controller has certified new revenues of \$100,000 for the Tax Collector's Office from the subject proposed new fees in the FY 1996-97 budget. As stated in Comment No. 1, the fees are designed to recover actual costs incurred by the Tax Collector in processing the subject applications and documents.

3. Mr. Nguyen states that most other California counties, including the Counties of Alameda, San Mateo, and Marin, charge similar processing fees.

**Justification for Charges Relative to Application of
Separate Valuation:**

Preparation by 4306 Collections Officer @ \$18.8250 per hour.	Time in tenths of Hr.	
Send customized letter to taxpayer with affidavit and instructions.	.4	7.53
Check with Tax Clearance section for outstanding delinquencies.	.3	5.64
Forward to Assessor's Office for segregation.	.2	3.76
Establish accounts for newly created lots. Transfer payment on original lot and redistribute to accounts of newly created lots.	.9	16.94
Notify taxpayers of tax liability.	.3	5.64
Balance and reconcile accounts.	.3	5.64
Prepare refund or bill for over/under payments	.2	3.76
Total Labor		<hr/> 48.91
Materials and supplies and copying.		3.22
TOTAL		<hr/> <u>52.13</u>

**Justification for Charges Relative to Establishment of
Installment Payments for Delinquent Property Taxes:**

Preparation by 1630 Account Clerk @ \$15.9875 per hour.	Time in tenths of Hr.	
Prepare customized letter notifying taxpayer of right of redemption and payment plan, explaining requirements.	.3	4.79
Respond to inquiries regarding requirements.	.1	1.59
Set up five year installment payment plan.	.3	4.79
Send yearly reminder for five years.	.1	1.59
Balancing and reconciliation of account.	.3	4.79
Maintaining statistics for reports to Controller.	.2	3.19
Total Labor		<hr/> 20.74
Materials and supplies and copying.		1.12
TOTAL		<hr/> <u>21.86</u>

**Justification for Charges Relevant to Preparation and
Provision of Documents:**

Preparation by 1404 Clerk @ \$15.9875 per hour.

Time in tenths
of Hr.

Time to copy document

.05 .79

Cost of copying.

.05

Time to prepare envelope for mailing

.1 1.59

Cost of postage.

.32

2.75

Item 4 - File 124-96-5

Department: Parking Authority
Department of Parking and Traffic (DPT)

Item: Ordinance amending Section 213 of the San Francisco Traffic Code, relating to the establishment, purpose and use of a Parking Revenue Fund to provide for the deposit of \$7,600,000 in parking meter revenue into the General Fund for Fiscal Year 1996-97.

Description: The Parking Revenue Fund, established by Section 213 of the Traffic Code, is used to finance off-street parking programs and other parking-related projects in the City. Monies collected by the Department of Parking and Traffic (DPT) from parking meters are deposited into the Parking Revenue Fund's Parking Meter Revenue Account. As stated in Section 213 of the Traffic Code, funds from the Parking Meter Revenue Account are used for the payment of debt service associated with the financing of the construction, acquisition and or equipping of off-street parking facilities, and to the extent that there are additional available revenues, these funds are allocated for various other parking-related costs to the City's General Fund, and to the Department of Parking and Traffic, the Parking and Traffic Commission and the Parking Authority. Mr. Ron Szeto of the Parking Authority advises that the Parking Authority determines the amount of the contribution to the General Fund after meeting debt service obligations for City owned parking facilities and departmental costs related to the Parking Authority.

In addition, Section 2.13 of the Traffic Code specifies the amount of revenues to be contributed annually from the Parking Meter Revenue Account to the General Fund. According to Ms. Kathryn Hile of the Department of Parking and Traffic, the DPT has provided the General Fund an annual amount of \$8,000,000 from the Parking Meter Revenue Account since FY 1992-93, in accordance with Section 2.13 of the Traffic Code.

The proposed ordinance would amend the Traffic Code to reduce the DPT's annual contribution of \$8,000,000 from the Parking Meter Revenue Account to the General Fund by \$400,000, for a total contribution of \$7,600,000 in FY 1996-97, in order for the Department to meet its debt service requirements for the new San Francisco General Hospital (SFGH) Garage. The proposed ordinance represents the third time that Section 2.13 of the Traffic Code has been amended to adjust the contribution amount.

According to Ms. Hile, the total FY 1996-97 debt service obligation for the SFGH parking garage is approximately \$2 million, which would be partially offset by approximately \$500,000 in operating income generated by the SFGH Garage. In addition, in order to further offset the debt service obligation, Ms. Hile advises that the DPT has (a) transferred certain costs, such as workers compensation expenses from the Parking Revenue Fund to the General Fund in its proposed FY 1996-97 budget in order to retain approximately \$1,000,000 in the Parking Meter Revenue Account for the SFGH Garage debt service, and (b) reduced Departmental expenditures by \$100,000 in the proposed FY 1996-97 budget. However, Ms. Hile advises that another \$400,000 is needed to meet the FY 1996-97 debt service obligation. The \$2 million debt service obligation less \$500,000 in operating revenues, less \$1,000,000 in transferred costs from the Parking Revenue Fund to the General Fund, less \$100,000 in reduced DPT budgeted expenditures, results in a balance of \$400,000 still needed to meet the SFGH Garage's debt service obligation.

The proposed ordinance would close this gap, by reducing the Parking Meter Revenue Account contribution to the General Fund by \$400,000 from \$8,000,000 to \$7,600,000.

Comment:

Ms. Hile advises that the proposed reduction of \$400,000, from \$8,000,000 to \$7,600,000, in the annual contribution from the Parking Meter Revenue Account to the General Fund is reflected in the Mayor's recommended FY 1996-97 budget.

Recommendation: Approve the proposed ordinance.

Item 5 - File 97-96-11.1

Item: Ordinance amending Chapter 6 of the Administrative Code by adding Section 6.63-1 to require Board of Supervisors approval of all agreements potentially involving a Possessory Interest Tax assessment.

Description: Possessory Interest Taxes are payable by private parties using public property for private gain. The private party's interest is assessed separately from the government-owned land. Possessory Interest Taxes are payable in lieu of Property Taxes that would normally be paid if the property subject to the taxes were not publicly owned.

Presently, Section 23.6-1 of the Administrative Code provides that, without Board of Supervisors approval, no agreement to lease or rent City-owned property can provide that the City would assume the payment, in whole or in part, of Possessory Interest Taxes. However, Agreements providing for the assumption of Possessory Interest Taxes by the City that are not lease or rent agreements currently may not be subject to Board of Supervisors approval. The proposed ordinance would amend Section 23.6-1 of the Administrative Code to provide that all proposed agreements involving the use of City owned property that could result in an assumption of Possessory Interest Taxes by the City must be submitted to the Board of Supervisors for approval.

The Recreation and Park Department entered into an initial Stadium Naming Rights Agreement authorizing the San Francisco Forty Niners (49ers) to rename the Candlestick Park Stadium "*3Com Park*" for the period of September 1, 1995 through January 31, 1996. Even though that agreement provided that the City would assume the payment of Possessory Interest Taxes, it was not subject to approval by the Board of Supervisors because it did not involve the lease or rental of City property.¹

The initial naming rights agreement with the 49ers, which was not subject to Board of Supervisors approval, provided that the City would receive \$500,000 in naming rights revenues. That initial agreement for naming rights provided that any Possessory Interest Taxes assessed on the 49ers or the name sponsor would be paid out of the \$500,000 in total proceeds which were to be paid by the 49ers to the City for the renaming rights. Therefore: (1) the City received no

¹ That agreement would also have been subject to Board of Supervisors approval if it had resulted in revenue of more than \$1 million or had a term of over ten years.

additional funds for the Possessory Interest Taxes; and (2) the net amount to be received from the initial agreement was less than \$500,000, since the City is liable for that portion of the Possessory Interest Taxes which are due (allocated) to the San Francisco Community College District, the San Francisco Unified School District, the Bay Area Rapid Transit District, and the Bay Area Air Quality Management District.

As a result of the Budget Analyst's review of the new Naming Rights Agreement for the period February 1, 1997 through January 31, 2000, a recommendation to amend the Administrative Code was made, and the preparation of this proposed ordinance was directed by the Board of Supervisors.

The new agreement to rename the Candlestick Park Stadium 3Com Park at Candlestick Point, previously approved by the Board of Supervisors, required Board of Supervisors approval because the revenues payable to the City exceeded \$1 million. The proposed amendment to Administrative Code Section 23.6-1 would require that all agreements involving the use of City owned property that could result in an assumption of Possessory Interest Taxes by the City must be submitted to the Board of Supervisors for approval. This proposed ordinance would implement such an amendment to the Administrative Code Section 23.6-1, in order to ensure that any Possessory Interest Taxes due must be paid by the private entity utilizing a City-owned facility, unless the Board of Supervisors specifically approves an agreement with a provision that the City should assume some or all of the Possessory Interest Taxes.

Lastly, the proposed ordinance would require that all City Departments responsible for agreements that would be covered by this new Section of the Administrative Code are directed to provide the Assessor with all information, and any updates to needed information such as a change of business ownership for the private parties in the agreement, necessary to make an assessment of possessory interest that would be caused by the agreement.

Recommendation: Approve the proposed ordinance.

Item 6 - File 28-96-6

Department: Department of Public Works (DPW)

Item: Resolution authorizing the Director of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace structurally inadequate sewers in Hyde Street between Ellis and O'Farrell Streets, South Hill Boulevard between Winding Way and Chicago Way, the Sweeny Street Easement between Sweeny Street and West View Avenue, and Hallam Street at the Folsom Street intersection.

Amount: \$102,053 Sewer Repair at Hyde Street
88,960 Sewer Repair at South Hill Boulevard
44,000 Sewer Repair at Sweeny Street
22,900 Sewer Repair at Hallam Street
\$257,913

Source of Funds: Repair and Replacement Fund - financed by Sewer Service Charges

Description: The four emergency sewer repairs including contract details are described below:

Sewer Repair at Hyde Street - The DPW advises that on March 5, 1996, the Bureau of Street and Sewer Repair (BSSR) notified the City Engineer that an existing sewer located at Hyde Street between Ellis and O'Farrell Streets had a cave in, with a 8 foot long by 8 foot wide void. The DPW reports that accordingly, the BSSR requested the Bureau of Engineering to issue a Class "B" Emergency Contract to replace the sewer.

Mr. P.T. Law of the DPW advises that in accordance with Section 6.30 of the Administrative Code, the DPW initiated expedited contract procedures on March 13, 1996, to acquire the necessary construction services. Mr. Law states that on March 22, 1996, the DPW selected Esquivel Grading and Paving, an MBE/LBE firm, as the lowest responsible bidder for the sewer repair work at the Hyde Street location, based on the bid amount of \$102,053. The repair work consists of replacing approximately 344 feet of existing 3 foot by 5 foot brick sewer with new 24" diameter vitrified clay pipe sewer.

The list of bidders, their MBE/WBE/LBE status, and the amounts bid are as follows:

<u>Contractor</u>	<u>MBE/WBE/LBE</u>	<u>Bid Amount</u>
Esquivel Grading & Paving	LBE/MBE	\$102,053
Ramirez Engineering Corp.	LBE/MBE	\$104,990
A. Ruiz Construction	LBE/MBE	\$113,400
Marinship Construction	LBE/MBE	\$125,506
Harty Pipelines	LBE	\$120,595
Cal North Engineering	LBE	\$124,080

According to Mr. Law, the repair work on the sewer located at Hyde Street, commenced on April 15, 1996 and was completed on May 31, 1996.

Sewer Repair at South Hill Boulevard - The DPW advises that on March 25, 1996, the DPW's BSSR notified the City Engineer that an existing sewer on South Hill Boulevard between Winding Way and Chicago Way had a sinkhole 5 foot by 5 foot by 18" deep. The DPW reports that accordingly, the BSSR requested the Bureau of Engineering to issue a Class "B" Emergency Contract to replace the sewer.

In accordance with Section 6.30 of the Administrative Code, the DPW initiated expedited contract procedures on April 30, 1996, to acquire the necessary construction services. Mr. Law states that on May 8, 1996 the emergency was declared, and the DPW selected Esquivel Grading and Paving, an LBE/MBE firm, as the lowest responsible bidder for the sewer repair work at the South Hill Boulevard location, based on the bid amount of \$88,960. The repair work consists of replacing approximately 290 feet of existing 24" diameter vitrified clay pipe sewer with new 24" diameter vitrified clay pipe sewer. The list of bidders, their MBE/WBE/LBE status, and the amounts bid are as follows:

<u>Contractor</u>	<u>MBE/WBE/LBW</u>	<u>Bid Amount</u>
Esquivel Grading & Paving	LBE/MBE	\$88,960*
Uniacke Construction, Inc.	LBE	\$83,375
Marinship Construction	LBE/MBE	\$94,760
Cal North Engineering	LBE	\$90,285
Woods Construction	LBE	\$98,000

* Esquivel Grading and Paving was granted a 10 percent LBE/MBE preference resulting in the lowest bid amount of \$80,064.

According to Mr. Law, the repair work on the sewer located at South Hill Boulevard commenced on May 8, 1996 and is expected to be completed by July 15, 1996.

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Sewer Repair at Sweeny Street Easement - The DPW advises that on March 8, 1996, the DPW's BSSR notified the City Engineer that an existing 12" sewer located at Sweeny Street Easement between Sweeny Street and West View Avenue had been badly crushed with multiple cracks. The DPW reports that accordingly, the BSSR requested the Bureau of Engineering to issue a Class "B" Emergency Contract to replace the sewer.

In accordance with Section 6.30 of the Administrative Code, the DPW initiated expedited contract procedures on April 25, 1996, to acquire the necessary construction services. Mr. Law states that on May 8, 1996, the emergency was declared, and the DPW selected Woods Construction, Inc., an LBE firm, as the only responsible bidder for the sewer repair work at the Sweeny Street location, based on the bid amount of \$44,000. The repair work consists of replacing approximately 229 feet of existing 12" diameter sewer with 14" diameter sewer.

According to Mr. Law, the repair work on the sewer located at Sweeny Street was to commence on June 24, 1996, and is expected to be completed by July 15, 1996.

Sewer Repair at Hallam Street - The DPW advises that on March 15, 1996, the DPW's BSSR notified the City Engineer that an existing 3 foot by 5 foot brick sewer located at Hallam Street at the Folsom Street Intersection had a crushed and collapsed section causing a sinkhole in the pavement. The DPW reports that accordingly, the BSSR requested a Class "A" Emergency Contract to repair the damaged sewer.

In accordance with Section 6.30 of the Administrative Code, the DPW initiated expedited contract procedures on March 28, 1996, to acquire the necessary construction services. Mr. Law states that on March 29, 1996, the DPW selected Shaw Pipelines, Inc., an LBE firm, as the lowest responsible bidder for the sewer repair work at the Hallam Street location, based on the bid amount of \$22,900. The repair work consists of replacing the 45 feet of existing sewer with 12" diameter vitrified clay pipe based on hydraulic study adequacy report. The list of bidders, their MBE/WBE/LBE status, and the amounts bid are as follows:

<u>Contractor</u>	<u>MBE/WBE/LBE</u>	<u>Bid Amount</u>
Shaw Pipelines, Inc.	LBE	\$22,900
Cal North Engineering	LBE	\$28,230
Esquivel Grading & Paving	LBE/MBE	\$30,980

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Uniacke Construction	LBE	\$32,000
Woods Construction, Inc.	LBE	\$33,800
Marinship Construction	LBE/MBE	\$50,431

According to Mr. Law, the repair work on the sewer located at Hallam Street commenced on April 3, 1996 and was completed on April 22, 1996.

Recommendation: Approve the proposed resolution.

Item 7 - File 28-96-7

Department: Port

Item: Resolution approving a declaration of emergency for repair of a broken boom on a crane at the Port's Pier 80 North Container Terminal (at the foot of Cesar Chavez Street.)

Amount:	Construction Contract	\$82,000
	Contingency	12,000
	Cost of Failure Analysis	<u>4,464</u>
	Total	\$98,464

Source of Funds: Port Operating Fund

Description: The Port of San Francisco's Pier 80 North Container Terminal at the foot of Cesar Chavez Street is primarily used for shipping. Space not utilized by the Port has been rented out to other City Departments. The Port advises that during a certification testing, the boom hoist wire on a Paceco Crane sustained damage and was partially derailed from its tracks. According to Mr. Cliff Jarrard of the Port, a boom hoist wire is a cable device that lifts the boom up and down, and a boom is the arm of the crane. According to Mr. Jarrard, the broken boom hoist wire posed a safety hazard to ships entering and exiting the shipping channel.

The Port reports that, in accordance with Section 6.30 of the Administrative Code, the Port initiated expedited contract procedures in March of 1996 and a construction contract to repair the broken boom hoist wire was awarded on April 9, 1996, to Rigging International, as the lowest bidder, based on a bid amount of \$82,000. Rigging International is neither a MBE nor an LBE firm. The other bidder and the amount bid was Paceco Corporation, in the bid amount of \$148,260.

Prior to selecting a contractor, the Port enlisted Paceco Corporation, the successor to the manufacturer of the container crane which sustained damage, on an emergency basis to determine 1) the cause of failure and 2) to assist with identifying the scope of repair at a cost of \$4,464.

The construction work commenced on March 28, 1996 and was completed on May 13, 1996.

Comments:

1. According to Mr. Skip Zeller of the Port, the Port had a one-year warranty on the above-mentioned crane, which has expired. Additionally, Mr. Zeller reports that the Port carries insurance on the crane, and the insurance policy includes a \$50,000 deductible. An insurance claim has been filed with Maxson Young and Associates, according to Mr. Zeller.

Maxson Young and Associates has determined that of the total amount of the insurance claim (\$98,464), the Port will collect \$41,631 from the insurance company and absorb the amount of \$56,833, according to Mr. Zeller. Therefore, the Port Operating Fund will eventually be reimbursed for \$41,631 of the subject \$98,464.

Recommendation: Approve the proposed resolution.

Item 8 - File 47-96-5

Department: Parking Authority

Item: Resolution approving new parking rates for eight City-owned parking facilities.

Description: The Parking Authority has oversight responsibility for City-owned parking facilities. This responsibility includes reviewing the parking rates charged at City-owned garages and lots and making recommendations to the Board of Supervisors for changes in such parking rates.

Approval of the proposed resolution would increase parking rates at the following eight garages; (1) Vallejo Street Garage, (2) Moscone Center Garage, (3) Ellis-O'Farrell Garage, (4) Sutter-Stockton Garage, (5) Union Square Garage, (6) Portsmouth Square Garage, (7) Japan Center Garage, and (8) Fifth and Mission Garage. Attachment I, provided by the Parking Authority, provides the current rates and the proposed rates for each of the eight City-owned garages.

Attachment II, provided by the Parking Authority is a summary table of parking revenue information for each of the eight garages. The table is divided into the following categories: Total Additional City Income, which is composed of: (a) Parking Taxes, (b) Gross Receipts, and (c) "Other" (City parking revenues net of operating costs and taxes).

Comments:

1. The Department advises that the proposed parking rate increases would generate, on an annual basis, an additional \$4,415,769 in parking revenues at the subject eight garages. Of this amount, \$1,101,698 would be retained by the subject parking facilities pursuant to existing agreements between the Parking Authority and the five non-profit garage corporations, as well as the three garage operators managing the garage operations. The remainder of the increased revenues, \$3,314,071, would be paid to the City as follows: (a) \$883,154 in Parking Taxes, (b) \$627,189 in Gross Receipts Taxes, and (c) \$1,803,728 in net parking revenues (less operating expenses and taxes) (See Attachment II).

The amount of \$3,314,071 is based on a twelve month period. However, as noted in Attachment II, the proposed rate increases would only be effective for an eleven-month period (commencing August 1, 1996) in FY 1996-97 for six of the eight garages, and a nine-month period for two of the eight garages due to the fact that these two garages pay the City

on a fiscal year that ends on April 30th. Mr. Ron Szeto of the Parking Authority advises that in FY 1996-97, the Department estimates that the proposed rate increases would result in \$2,832,858 in additional City parking revenues and taxes.

2. In FY 1996-97, the amount of \$2,832,858 would be paid to the City as follows: (a) \$809,558 in Parking Taxes, (b) \$574,923 in Gross Receipts Taxes, and (c) \$1,448,377 in net parking revenues (less operating expenses and taxes). The Controller has certified additional parking revenues of \$1,448,377 in the FY 1996-97 budget based on implementation of the proposed rate increases. This revenue figure pertains specifically to net City parking revenues (less operating expenses and taxes).

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Union Square Garage

Union Square Garage		Day Transients	
Hours Parked	Current Rates	Proposed Rates	
0-1/2	\$ 0.75	1.00	
1-1/2	\$ 2.00	2.00	
1-1/2	\$ 2.75	3.00	
1-1/2	\$ 3.75	4.00	
2-1/2	\$ 6.00	6.00	
2-1/2	\$ 7.00	8.00	
3-1/2	\$ 8.00	9.00	
3-1/2	\$ 9.00	10.00	
4-1/2	\$ 10.00	11.00	

Monthly	\$ 250
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Motorcycle	\$ 3.00	\$ 3.00
Early Bird	\$ 8.50	\$ 10.00
Monthly	\$ 310.00	\$ 310.00
Overnight / 24 hrs	\$ 18.00	\$ 20.00

Vallejo Street Garage

Day Transients* Hours Parked	Current Rates	Proposed Rates
0-1	\$ 1.00	\$ 1.25
1-2	\$ 2.25	\$ 2.75
2-3	\$ 4.50	\$ 4.75
3-4	\$ 6.25	\$ 6.75
4-5	\$ 8.75	\$ 9.00
5-6	\$ 10.50	\$ 11.00
6-7	\$ 12.75	\$ 13.00
Overtime/24hrs	\$ 22.75	\$ 23.00

- * Day: Mon.-Thur.(9AM-5PM) & Fri (9AM) - Sun (6PM).
- ** Evening: Mon.-Thur.(5PM-9AM) & Sun.(6PM-9PM).
- *** Validations are sold in books of 100 slamps.

4+5	\$ 10.00	\$ 10.00
Monthly	\$ 275.00	\$ 275.00

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PARKING AUTHORITY ANTICIPATED GARAGE RATE INCREASE REVENUES FY 1996-97

SUMMARY

Garage Name	Total Additional City Income	Parking Tax	Gross Receipts Tax	Other *
Ellis-O'Farrell Garage	\$ 638,180	\$ 127,636	\$ -	\$ 510,544
Fifth & Mission Garage	\$ 468,564	\$ 234,282	\$ 234,282	\$ -
Japan Center Garages	\$ 107,583	\$ 53,791	\$ 53,791	\$ -
Portsmouth Square Garage	\$ 258,807	\$ 56,881	\$ 56,881	\$ 145,045
Sutter-Stockton Garage	\$ 1,284,169	\$ 282,235	\$ 282,235	\$ 719,699
Moscone Center Garage	\$ 193,200	\$ 38,640	\$ -	\$ 154,560
Union Square Garage	\$ 272,989	\$ 65,155	\$ -	\$ 207,834
Vallejo Street Garage	\$ 90,580	\$ 24,534	\$ -	\$ 66,046
Total	\$ 3,314,071	\$ 883,154	\$ 627,189	\$ 1,803,728

Allocation of Additional City Income	
Parking Tax	\$ 883,154
Gross Receipts Tax	\$ 627,189
General Fund	\$ 1,384,803
Parking Revenue Fund	\$ 66,046
Recreation & Park Fund	\$ 352,879
Total Additional Income	\$ 3,314,071

Note: Additional City Income is prorated to \$2,832,858.

All Garages prorated for 11 months except Sutter-Stockton & Ellis-O'Farrell for 9 months.

* "Other" is the amount of net parking revenues (less operating expenses and taxes) paid to the City.

Item 9 - File 96-96-1

Department: Department of Real Estate

Item: Resolution confirming sale of surplus City-owned property (Assessor's Block 6203, Lot 2, 400 Campbell Street; Assessor's Block 513, Lot 15, 2475 Greenwich Street) and that the total amount of the expenses of the auction shall be deducted from the total sale proceeds and allocated to the Real Estate Department for its expenses.

Description: 1. The Board of Supervisors previously authorized (File No. 96-93-5) the sale at a public auction of surplus City-owned property known as Assessor's Block 6203, Lot 2 located at 400 Campbell Street for potential development of one single-family dwelling unit. The original minimum bid was set at \$70,000. The property is reported by City Planning to be in conformity with the City's Master Plan, exempt from environmental review, and consistent with the Eight Policies of Planning Code Section 101.1.

The Board of Supervisors previously authorized (File No. 96-95-3) the sale at public auction of surplus City-owned property known as Assessor's Block 513, Lot 15 located at 2475 Greenwich Street for potential development of residential use. The minimum bid was set at \$390,000. The property is reported by City Planning to be in conformity with the City's Master Plan, exempt from environmental review, and consistent with the Eight Policies of Planning Code Section 101.1.

The proposed resolution would confirm the sale of two surplus City-owned properties known as Assessor's Block 6203, Lot 2 located at 400 Campbell Street and Assessor's Block 513, Lot 15 located at 2475 Greenwich Street to the highest bidders.

2. **Assessor's Block 6203, Lot 2, 400 Campbell Street**
As noted above, the original minimum bid was set at \$70,000, or approximately \$31.82 per square foot for 2,210 square feet. Mr. Steve Hoppe of the Real Estate Department advises that this lot is small, oddly shaped and steeply sloping, making development difficult. Two previous public auctions of this property, with minimum bids set at \$70,000 and \$49,500, failed to generate any bids or interest in the property. Therefore, the Director of Property reduced the fair market value and minimum bid to \$25,000.

The Department of Real Estate held a public auction on May 13, 1996 and received one bid for the City-owned property known as the Assessor's Block 6203, Lot 2, consisting of 2,210 square feet of vacant land located at 400 Campbell Street. This property is currently under the jurisdiction of the Department of Public Works (DPW). The DPW has declared that the subject vacant land, which has never been used by the City for any specific purpose, to be surplus and reports that the land is not required for municipal purposes. The one bid price for this surplus property was \$25,000 from Mr. Melvin Washington, which was in accordance with the revised minimum bid price. This \$25,000 would be deposited into the DPW's Realty Trust Fund, and these funds can only be used to acquire additional property or for capital improvements.

3. Assessor's Block 513, Lot 15, 2475 Greenwich Street

The Department of Real Estate held its second public auction on May 13, 1996 and received two bids for the City-owned property known as Assessor's Block 513, Lot 15 located at 2475 Greenwich Street, which is currently under the jurisdiction of the Police Department. The Police Department has determined that this property is surplus to its needs. This property consists of a former police station, including two vacant buildings totaling 9,300 square feet, and is a City Landmark. The highest bid price for this surplus property was \$480,000 from Mr. John P. Willis, which is \$90,000 more than the required minimum bid of \$390,000. This \$480,000, or approximately \$51.61 per square foot, would be deposited into the Police Department's Realty Trust Fund, and these funds can only be used to acquire additional property or for capital improvements. Mr. Hoppe reports that the fair market value of the subject land is \$390,000, or approximately \$41.94 per square foot, which was the required minimum bid. The two bidders were as follows:

<u>Bidder</u>	<u>Amounts Bid</u>
John P. Willis	\$480,000
Frank Yee	\$470,000

4. Both of the subject properties for surplus sale were marketed through signs placed on each property, approximately 1,800 flyers were mailed to all members of the San Francisco Association of Realtors and to the Real Estate Department's mailing list consisting of individuals who have expressed interest in purchasing public property, and public notices were published in the *San Francisco Independent*. Properties were shown by appointment only. The expenses

incurred by the Real Estate Department related to this auction are as follows:

<u>Costs</u>	<u>Amount</u>
Pre-Auction Staff Costs	\$5,514
Post-Auction Staff Costs	2,500
Publication of Public Notices	1,710
Printing and Mailing of Flyers	804
Property Signs	<u>1,246</u>
Total	\$11,774

5. The Real Estate Department has requested that the \$11,774 incurred for expenses be deducted from the gross proceeds of the auction and be reimbursed to the Real Estate Department.

Comments:

1. Mr. Hoppe reports that the auction on May 13, 1996 of Assessor's Block 6203, Lot 2, 400 Campbell Street was the third time that the Department has tried to auction this parcel of land. The Department did not receive any bids for this parcel at the first two auctions. As previously noted, the Department received one bid at the third auction.

2. Mr. Hoppe reports that the auction on May 13, 1996 at Assessor's Block 513, Lot 15, 2475 Greenwich Street was the second time that the Department has tried to auction this parcel of land. According to Mr. Hoppe, the highest bidder from the first auction withdrew from the escrow transaction and forfeited the deposit of \$55,000. Mr. Hoppe advises that the deposit funds of \$55,000 are currently in the Real Estate Department's Realty Trust Fund and will remain in this fund until the close of escrow at which point the forfeited deposit amount of \$55,000 will be transferred to the Police Department's Realty Trust Fund.

3. Mr. Hoppe advises that in addition to the proceeds of the sale of the two parcels of \$505,000 (\$480,000 for the sale of Lot 15 and \$25,000 for the sale of Lot 2), the City would also receive \$3,389 from Real Property Transfer Taxes. According to Ms. Bose Onyemem of the County Clerk-Recorder's Office, the Property Transfer Tax is \$2.50 per \$500 for properties with assessed value in the range of \$100 to \$249,999. Therefore, the Property Transfer Tax for the \$25,000 sale is \$125 ($\$2.50 \times \50).

The Property Transfer Tax is \$3.40 per \$500 for properties with assessed value in the range of \$250,000 to \$1 million. Therefore, the Property Transfer Tax for the \$480,000 sale is

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\$3,264 ($\$3.40 \times \960). The combined Property Transfer Tax receipts from the two sales are \$3,389 (\$125 plus \$3,264).

Additionally, Mr. Hoppe advises that the City would no longer incur liabilities from the properties and additional property taxes would be generated for the City.

Recommendation: Approve the proposed resolution.

Item 10 - File 170-95-11.1

Department: City Administrator

Item: Resolution declaring the intent of the City and County of San Francisco to reimburse certain expenditures from proceeds of future indebtedness incurred for the acquisition and construction of additional Convention Center Facilities.

Description: On March 26, 1996, the San Francisco electorate approved Proposition A, a bond measure, authorizing the City to utilize lease financing, in an amount not to exceed \$157.5 million, for the development of a new facility to provide additional convention meeting and exhibit space to supplement the Moscone Center. The proposed new facility would increase convention facility space by 300,000 feet to a total of approximately 900,000 square feet from the 600,000 square feet that comprises the existing Moscone Center Facility.

The City Administrator advises that Section 1.150-2 of the Treasury Regulations under the Internal Revenue Code of 1986 requires that the City declare its official intent to reimburse itself for any expenditures that are to be financed by the proceeds of lease revenue bonds, when such expenditures are incurred prior to the bonds having been sold. The proposed resolution would declare such intent by the City with respect to the above-noted lease revenue bonds.

Comments: 1. Mr. Jack Moerschbaeher, Convention Facilities Director, advises that expenditures have not been incurred thus far for the acquisition and construction of additional Convention Center Facilities.

2. According to Ms. Laura Wagner-Lockwood of the City Administrator's Office, the proposed resolution does not bind the City to make any expenditures or to incur any indebtedness.

3. All requests for the issuance and sale of the lease revenue bond funds, as well as all future appropriations of these bond fund monies, will be subject to separate legislative approval of the Board of Supervisors.

Recommendation: Approve the proposed resolution.

Item 11 - File 94-92-8.1

Department: Municipal Railway (MUNI)

Item: Hearing to consider release of reserved funds, Municipal Railway (Federal Surface Transportation Funds), in the amount of \$589,000 to fund departmental work orders, contractual services as well as direct and indirect MUNI expenses related to the MUNI Metro Dynamic Envelope Project.

Amount: \$589,000

Source of Funds: Federal Capital Assistance Funds: \$487,456
San Francisco Municipal Railway Improvement Corporation (SMFRIC): \$101,544

Description: The Municipal Railway (MUNI) is in the process of replacing the Boeing Light Rail Vehicles (LRVs), which have reached the end of their useful life as defined by the Federal Transportation Authority, with new vehicles manufactured by the Breda Corporation of Italy (the LRV2 Project). The new LRVs have certain design changes related to increasing passenger comfort and permitting more rapid loading and unloading of passengers. These design changes have resulted in a somewhat longer and wider vehicle than the original Boeing LRVs. As a result, MUNI needs to make various modifications to the Green Center LRV maintenance and storage facility to accommodate the LRV2 vehicles. These modifications are collectively known as the MUNI Metro Dynamic Envelope Project. The term "dynamic envelope" refers to the dimensions of the space needs for a vehicle, taking into account the vibration that occurs during movement.

In October of 1992, the Board of Supervisors approved acceptance and expenditure of \$1.5 million in Federal Capital Assistance funds (\$1.2 million) and local and regional matching funds (\$300,000) to conduct modifications throughout the MUNI Metro System related to the new LRV2 vehicles (File 94-92-8). At that time, \$1,273,862 was reserved for procurement, construction and contingency, pending identification of the contractors. However, Ms. Gail Bloom of MUNI reports that MUNI has actually been awarded \$250,000 in local matching funds (from SMFRIC), not the \$300,000 that was originally anticipated. Therefore the actual current reserve should be \$1,223,862 (\$1,273,862 less \$50,000).

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The proposed release of \$589,000 would fund (1) a construction contract for clearance work, consisting of relocation of poles, redesign of the associated overhead structures, and alteration and replacement of doors; (2) a design contract related to specifying the optimum layout of Green Center work areas and types of equipment; and (3) MUNI staffing for project management, engineering services and construction inspection.

Budget: The proposed \$589,000 release of reserve would be used for the following expenditures:

Construction Contract for Clearance Work		\$299,000
Design Contract for Layout/Equipment Plans		200,000
<u>MUNI Project Management</u>		40,000
Project Manager III (\$43.00 per hr. x 487 hrs.)	\$20,941.00	
Mandatory Fringe and Overhead	<u>19,059.00</u>	
Subtotal	\$40,000.00	
<u>MUNI Engineering Services</u>		20,000
Jr. Electrical Engineer (\$21.75 per hr. x 241 hrs.)	\$5,241.75	
Asst. Civil Engineer (\$24.68 per hr. x 212 hrs.)	5,232.16	
Mandatory Fringe and Overhead	<u>9,526.09</u>	
Subtotal	\$20,000.00	
<u>MUNI Construction Services</u>		30,000
Inspector (\$29.27 per hr. x 537 hrs.)	\$15,717.99	
Mandatory Fringe and Overhead	<u>14,282.01</u>	
Subtotal	\$30,000.00	
TOTAL ESTIMATED COSTS		\$589,000

Comments: 1. Mr. Kambiz Shadan of MUNI advises that MUNI has not yet selected the construction contractor or the design contractor for the Green Center modifications. Therefore the \$299,000 for the construction contract and the \$200,000 for the design contract should remain on reserve, pending identification of contractors, the MBE/WBE/LBE status of the contractors and the contractors' cost details.

2. Mr. Shadan states that the MUNI project management, engineering and construction services staff specified above are currently needed to prepare bid documents and evaluate proposals for the subject project.

3. Mr. Shadan reports that MUNI expects to start receiving the first LRV2 vehicles in September, 1996. Mr. Shadan states that, by the time the subject modifications to the Green Center are expected to be completed, in March, 1997, MUNI will have received approximately 15 to 20 LRV2 vehicles. According to Mr. Shadan, MUNI will be able to temporarily accommodate these new vehicles in the existing facility, but it is crucial that the modifications be completed before more than 20 LRV2 vehicles have been delivered to MUNI by the Breda Corporation.

4. In total, the reserve should be reduced from \$1,223,862 to \$1,133,862, to reflect the \$90,000 release of reserve for MUNI staffing.

- Recommendations:**
1. Continue to reserve \$299,000 for the clearance construction contract and \$200,000 for design consultant services.
 2. Approve the release of the balance of \$90,000 of the \$589,000 requested, to fund MUNI staff work on the subject project.

Item 12 - File 133-92-2.10

Department: Administrative Services Department
Solid Waste Management Program

Item: Request to release reserved funds in the amount of \$16,133 for contractual services of O'Rorke Public Relations in order develop outreach programs for market development projects.

Amount: \$16,133

Source of Funds: Refuse Collection and Disposal Fees Impound Account

Description: In August of 1992, the Board of Supervisors approved a resolution authorizing the Administrative Services Department (formerly the Office of the Chief Administrative Officer) to accept and expend funds in the amount of \$2,896,061 from the Sanitary Fill Company for various Solid Waste Management projects (File 133-92-2). Of the \$2,896,061, the Board placed a total of \$519,000 on reserve, including \$50,000 for market development, pending the selection of contractors. Of the \$519,000 amount placed on reserve, \$498,656 was subsequently released, leaving a balance on reserve of \$20,344.

The Administrative Services Department advises that, through a Request for Proposals (RFP) process, the firm of O'Rorke Public Relations, a certified WBE firm, has been selected to develop outreach programs for the Recycling Market Development Zone Project. The Recycling Market Development Zone Project involves recruitment and expansion of recycling-based manufacturers in San Francisco for the purpose of expanding markets for recyclable materials recovered from the City's solid waste stream. O'Rorke Public Relations will be responsible for (a) developing and testing mail and telephone survey instruments; (b) conducting mail and telephone surveys of targeted manufacturers; (c) compiling written reports of the survey results; and (d) developing an electronic database of recycling-based manufacturers.

The contract amount is \$16,133, which would provide approximately 199 hours at an average hourly rate of \$81 per hour. A breakdown of this \$16,133 amount is as follows:

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<u>Activity</u>	<u>Amount</u>
Preparation	\$796
Questionnaire development	1,254
Data preparation	1,501
Initial mailing/distribution	1,014
Phone interviews	5,557
Data entry/management	1,673
Analysis/report	1,485
Supplies	2,383
Administrative fees	<u>470</u>
Total	\$16,133

Comments:

1. The Solid Waste Management Program currently has a contract with O'Rorke Public Relations in the amount of \$625,000 for O'Rorke Public Relations to provide public outreach services for the Recycling Program, the Hazardous Waste Program and the Commercial Recycling Program. The amount of this subject request of \$16,133 would be added to the existing contract with O'Rorke Public Relations, for a total contract amount of \$641,133. The Attachment, provided by the Solid Waste Management Program, contains pages from the existing \$625,000 contract with O'Rorke Public Relations which show the scope of work, budget and hourly rates for this contract.

2. The Solid Waste Management Program advises that four proposals were received in response to the RFP. Each firm was ranked on the basis of the quality of its proposal and the firm's qualifications, MBE/WBE status and hourly rates. Based on this system, O'Rorke Public Relations received the highest number of points and was therefore awarded the contract. The following table shows the firms which responded to the subject RFP and their MBE/WBE status, hourly rates and respective scores:

<u>Name of Firm</u>	<u>MBE/WBE Status</u>	<u>Average Hourly Rate</u>	<u>Score</u>
O'Rorke Public Relations	WBE	\$81	95.7
GCA Strategies	WBE	90	82.5
Ellington Group	MBE	77	75.9
DelaCerte/Shinoff	WBE	87	73.7

Recommendation: Approve the release of reserved funds in the amount of \$16,133.

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EXHIBIT A

SCOPE OF WORK

I. Management of Projects

The contract will be administered by the Director of the Solid Waste Management Program or her designee (herein CONTRACT MANAGER).

The Public Outreach Coordinator for the Recycling Program will review CONTRACTOR's performance of the Recycling Program's portion of the contract; the Hazardous Waste Coordinator for the Hazardous Waste Management Program will review CONTRACTOR's performance of the Hazardous Waste Management Program's portion of the contract.

II. Personnel Assignment by CONTRACTOR

Maureen O'Rourke, principal of O'Rourke Public Relations and Advertising, will serve as PROJECT DIRECTOR, developing strategies and coordinating all efforts with the CONTRACT MANAGER. The following subcontractors will be used:

Subcontractor	Purpose
Lawrence Green	Design
Vinh Chung	Design
PRJ	Market Research
Community Focus	Facilitated Meetings
Catania Galvan	Hispanic Outreach
Cecelia Wong	Chinese Outreach
Derruck Crumpler	African American Outreach

The specific assignment of personnel will be determined in each Job Order. The CONTRACTOR has the flexibility to assign personnel for the various tasks within the Job Order at her discretion.

III. General Program

The CONTRACTOR shall plan, design and implement advertising and promotional programs on waste reduction, commercial and residential recycling, composting and hazardous waste minimization. All tasks shall be performed by the CONTRACTOR under the direction, and with the approval, of the CONTRACT MANAGER.

IV. Job Orders

The range of tasks to be performed by the CONTRACTOR are described in Section V. Specific tasks, their schedules, budgets and staffing will be further described in subsequent Job Orders.

1. For each specific project to be performed by CONTRACTOR, the CONTRACT MANAGER and CONTRACTOR shall develop a written description of the work to be undertaken. Upon mutual agreement, this description shall become a formal Job Order issued by the CONTRACT MANAGER. CONTRACTOR shall not begin any work on such projects until a formal Job Order is issued.

Each Job Order will include the following:

- Description of the issues, objectives and target audience;
- Overall strategy and plan of implementation;
- Specific work products to be produced by the CONTRACTOR;
- Time line designating key milestones within the proposed implementation plan;

- Assignment of personnel and/or subcontractors and the corresponding number of hours to carry out the tasks; and
 - Budget breakdown that will include estimated cost for each task, i.e. creative concept formation, graphic design, printing, placement of advertising and outreach. Budget amount shall include all taxes and any other charges.
2. Upon receipt of the authorized Job Order, CONTRACTOR shall perform such services in a timely manner within the budget and time line specified in the Job Order. CONTRACTOR shall not exceed the budget amount in the Job Order, including taxes and all other charges.

V. Service Requirements:

The tasks to be performed by the CONTRACTOR shall include, but not be limited to the following:

- Assist the CONTRACT MANAGER with the development of promotional, advertising and outreach programs and strategies.
- Implement creative promotional and advertising concepts and designs.
- Prepare draft and final art and copy material for specific marketing and advertising projects. In carrying out these tasks, the CONTRACTOR shall provide design and production services, such as illustration, graphic design, camera-ready art work, copy writing, typesetting, photography, audio-visual production, and printing. All graphic materials shall utilize the graphic standards system designed for the Solid Waste Management Program.
- Assist the CONTRACT MANAGER in identifying and reaching out to business and community groups for presentations and dissemination of information.
- Strategize and implement media campaigns.
- Assist the CONTRACT MANAGER with the planning, development and implementation of promotional, advertising and outreach programs to increase overall participation by San Francisco residents in the Recycling and Hazardous Waste Programs.

EXHIBIT B

COMPENSATION

The total budget of this contract shall not exceed \$625,000 (SIX HUNDRED AND TWENTY-FIVE THOUSAND DOLLARS): \$155,000 from the date of award to June 30, 1995; \$220,000 from July 1, 1995 to June 30, 1996 (if funds are approved); and \$250,000 from July 1, 1996 to June 30, 1997 (if funds approved).

Since detailed work plans for the various programs will not be determined until the projects are to be undertaken, the following is an estimated allocation of funds. It is subject to change upon the CONTRACTOR's presentation of budget and work plan to the CONTRACT MANAGER and the approval of the CONTRACT MANAGER at the time of implementation as well as being contingent on budget approval.

Through Fiscal Year 1994-1995:

A.	Commercial Recycling Program	\$ 70,000
B.	Hazardous Waste Program	\$ 75,000
C.	Residential and other Recycling	<u>\$ 10,000</u>
Total		\$155,000

For Fiscal Year 1995-1996

A.	Commercial Recycling Program	\$ 20,000
B.	Hazardous Waste Program	\$ 75,000
C.	Residential and other Recycling	<u>\$125,000</u>
Total		\$220,000

For Fiscal Year 1996-1997

A.	Commercial Recycling Program	\$50,000
B.	Hazardous Waste Program	\$75,000
C.	Residential and other Recycling	<u>\$125,000</u>
Total		\$250,000

- II. Billing rates for the various tasks are set forth in exhibit B.1
- III. No vendor discounts or mark-ups on production should be taken.
- IV. Payments for cost of the items set forth above shall be made in arrears not more frequently than monthly upon receipt of an itemized invoice in triplicate.
- V. Monthly Invoice shall be submitted with the following reports plus the applicable information under item VI:
 - A list itemizing all invoices paid to vendors and/or subcontractors, and a breakdown of agency hours spent on tasks within each project.

EXHIBIT B

HOURLY BILLING RATES

1.	Market Research	
	Survey Design	\$60-100
	Data Collection & Analysis	\$25-100
2.	Creative Services	
	Development of Promotional Programs/Strategies	\$95-115
	Conceptual Design for Specific Projects (themes, etc.)	\$95-110
3.	Production Management	
	Overseeing production from concept to final product	\$50-95
4.	Artwork	
	Design concept	\$95-115
	Graphic Design	\$85-115
	Mechanical Art Prep	\$35-50
	Typesetting	\$45-65
	Illustration	\$100-150
5.	Copy Writing	\$75-110
6.	Outreach Services/Facilitated Meetings	\$40-75 (Galvan, Wong, Crumlr) \$75-115 (Com Focus)
7.	Photography	\$100
8.	Clerical Services	\$35-45

Item 13 - File 101-94-89.1

Note: This item was continued by the Budget Committee at its meeting of July 19, 1995.

Department: Public Works
Recreation and Park

Item: Release of reserved funds in the amount of \$141,000 for improvements to 3Com Park at Candlestick Point for the 1999 Super Bowl.

Amount: \$141,000

Source of Funds: Special Recreation and Park Revenue Funds
Rent Credit from San Francisco 49ers

Description: On May 5, 1995 the Board of Supervisors approved a \$325,000 supplemental appropriation to support design work on 3Com Park at Candlestick Point capital improvements related to the 1999 Super Bowl game that was to be held at the facility. A total of \$141,000 of that supplemental appropriation was reserved pending submission of a detailed scope of work.

Mr. Don Alameida, of the Bureau of Architecture, Department of Public Works, states that no further work is being done on this project at the present time because the Mayor's Office is instead exploring opportunities to construct a new Stadium as an alternative to making capital improvements to 3Com Park at Candlestick Point. Although no final decisions have been made, it appears that the 1999 Super Bowl game will be held elsewhere, and the City will negotiate to have the Super Bowl game in San Francisco at some later time, perhaps 2001, according to Mr. Alameida. Mr. Alameida has requested that this item be tabled.

Recommendation: Table the requested release of reserved funds in the amount of \$141,000, as requested by the Department of Public Works.

Item 14 - File 101-95-48.3

Department: Art Commission

Item: Request to release reserved funds in the amount of \$132,194 to fund the following capital improvement projects: Bayview Opera House (\$30,075); Mission Cultural Center for Latino Arts (\$10,660); Center for African and African American Art and Culture (\$42,097); and South of Market Cultural Center (\$49,362).

Amount: \$132,194

Source of Funds: Reserve for Art Commission Cultural Centers

Description: In February of 1996, the Board of Supervisors approved a supplemental appropriation ordinance appropriating \$201,348 for various building improvements and repairs at four Cultural Centers. The four Cultural Centers, which are City-owned buildings operated by non-profit corporations, are the Bayview Opera House, the Mission Cultural Center for Latino Arts, the Center for African and African American Art and Culture (CAAAC) and the South of Market Cultural Center.

Of the supplemental appropriation amount of \$201,348, \$197,448 was placed on reserve, pending the selection of contractors, the MBE/WBE status of the contractors and the submission of budget details (File 101-95-48). Of this \$197,448, \$69,152 was subsequently released, leaving a balance on reserve of \$128,296. The Art Commission advises that the amount of this request is therefore incorrect and should be reduced by \$3,898, from \$132,194 to \$128,296, to reflect the actual balance on reserve.

The Art Commission is now requesting that the revised request of \$128,296 be released from reserve to pay for capital improvements and repairs at the four Cultural Centers. The actual cost of such repairs is \$132,194. The remaining \$3,898 in repair costs (\$132,194 less \$128,296) would be paid for with previously appropriated funds from the Reserve for the Art Commission Cultural Centers. Specifically, the capital improvements and repairs consist of (1) roof replacement and the installation of security gates at Bayview Opera House (\$30,075); (2) various repairs at the Mission Cultural Center (\$10,660); (3) heating and ventilation repairs and electrical and lighting improvements at the CAAAC (\$42,097); and (4) heating and exterior site repairs (soils regrading) and lighting and safety

BOARD OF SUPERVISORS
BUDGET ANALYST

improvements at the South of Market Cultural Center (\$49,362). A more detailed description of each of these projects is provided below.

Bayview Opera House (\$30,075)

In response to an invitation for bids, three bids were submitted to perform roof replacement work at Bayview Opera House. The Art Commission selected the firm of JSK General Roofing, a certified MBE firm, which submitted the low bid of \$16,330.

The installation of security gates in the parking areas of the Bayview Opera House will be performed in-house by the Bureau of Building Repair (BBR) through a work order with the Department of Public Works (DPW) at a cost of \$13,075.

A breakdown of this \$30,075 request for the Bayview Opera House is as follows:

Contract with JSK General Roofing for roof replacement	\$16,330	
Contingency - roof replacement (4.0%)	<u>670</u>	
Subtotal		\$17,000
Installation of security gates - DPW		<u>13,075</u>
Total - Bayview Opera House		\$30,075

Mission Cultural Center (\$10,660)

The repair and capital improvement work at the Mission Cultural Center will be performed in-house by BBR at a cost of \$10,660. Such work will consist of installing hazardous materials cabinets for the Graphic Design Center on the fourth floor, providing seismic bracing for these cabinets as needed, installing fire doors and installing free-standing fans for improved air circulation.

Center for African and African American Art and Culture (CAAAC) (\$42,097)

The repairs and capital improvement work at the CAAAC will also be performed in-house by BBR at a cost of \$42,097. Such work will consist of repairing roof furnaces and testing fire boxes for proper fire containment, repairing thermostats connected to roof units, repairing and/or replacing ceiling-hung heaters in the performance area, installing ventilation ducts as needed, upgrading the lighting in the performance area and upgrading the electrical system as needed.

South of Market Cultural Center (\$49,362)

The repair and capital improvement work required at the South of Market Cultural Center will be performed in-house by BBR at a cost \$49,362. Such work will consist of installing gas heaters and spiral ductwork for two areas used as workrooms and classrooms, installing additional lighting for the gallery area, performing grading for a new driveway/walkway and framing and pouring concrete, upgrading the electrical system and making safety repairs as needed.

Comments:

1. The Attachment, provided by DPW, contains the cost details for the in-house capital improvement and repair work at Bayview Opera House (\$13,075), Mission Cultural Center (\$10,660), CAAAC (\$42,097) and South of Market Cultural Center (\$49,362) to be performed by DPW staff.

2. The Art Commission has provided the Budget Analyst with a copy of JSK General Roofing's proposal for the roofing replacement contract for Bayview Opera House in the amount of \$16,330. The Budget Analyst has reviewed this document and it appears reasonable.

- Recommendations:**
1. Reduce the request to release reserved funds by \$3,898, from \$132,194 to \$128,296.
 2. Approve the release of reserved funds in the amount of \$128,296.

Jul. 2. 1996 3:07PM DPW BUILDING REPAIR

Attachment
Page 1 of 4

BUREAU OF BUILDING REPAIR

Department of Public Works

MEMORANDUM

TO: Liz Lerma
Director of Centers

DATE: July 1, 1996

THRU: Raymond D. Zahnd
Superintendent BBRSUBJ: BAYVIEW OPERA HOUSE
GATEFROM: Charles J. Camilleri
Asst. Superintendent BBR

As per your request, here is a breakdown of the charges for services and materials along with a description of work to be performed by the Bureau of Building Repair.

Job Scope: Purchase, provide power and mount motorized iron gate for parking lot security.

LABOR AND MATERIALS HOURLY BREAKDOWN

7345 ELECTRICIAN @ \$ 53.08/hr* X 40 hours	\$ 2,124.00
Materials	\$ 1,000.00
7376 SHEETMETAL @ \$57.97/hr* X 40 hours	\$ 2,319.00
Materials	\$ 1,500.00
CONTRACT AND SERVICES FOR IRON GATE	\$ 6,132.00
TOTAL COST	\$ 13,075.00

* Hourly rates include direct labor, fringe benefits and indirect costs such as supervision and equipment.

cjc/rb

BAYVIEW.MEM

Post-It* Fax Note	7671	Date	7/3	# of pages	2
To	Raven Kegg	From	Liz Lerma		
Co./Dept.		Co.	Art Commission		
Phone #		Phone #	252-2596		
Fax #	252-0461	Fax #	252-2595		

BUREAU OF BUILDING REPAIR

Department of Public Works

MEMORANDUM

TO: Liz Lerma
Director of Centers

DATE: July 1, 1996

THRU: Raymond D. Zahnd
Superintendent BBR

SUBJ: MISSION CULTURAL CENTER
HAZARDOUS MATERIALS
CABINETS

FROM: Charles J. Camilleri
Asst. Superintendent BBR

=====

As per your request, here is a breakdown of the charges for services and materials along with a description of work to be performed by the Bureau of Building Repair.

Job Scope: Purchase, provide power and mount air circulation fans as required with direction of the facility coordinator. Purchase and mount hazardous materials cabinets for graphics area. Once cabinets have been mounted they will be seismically braced for earthquake safety. Replace fire doors with proper fire rated doors.

LABOR AND MATERIALS HOURLY BREAKDOWN

7345 ELECTRICIAN @ \$ 53.08/hr* X 16 hours	\$ 850.00
Materials	\$ 846.00
7344 CARPENTER @ \$ 50.70/hr* X 80 hours	\$ 4,056.00
Materials	\$ 1,289.00
7376 SHEETMETAL @ \$57.97/hr* X 40 hours	\$ 2,319.00
Materials	\$ 1,300.00
TOTAL COST	\$ 10,660.00

* Hourly rates include direct labor, fringe benefits and indirect costs such as supervision and equipment.

cjc/rb

MOCHAZEB.MEM

<input checked="" type="checkbox"/> open	5/13/96
<input type="checkbox"/> modify #	date
<input type="checkbox"/> close	date

DPW-OPERATIONS
JOB ORDER

8 4 2 . 9

Estimate #

Bureau of Building Repair

responsible bureau

African/Amer Ctrd Ctr-HVAC/Elect

job order title

[B X 1] ID M&O of BLDGS , [A L 1] ALT & IMPRVMT program activity		C. CAMILLERI , 695-2040 job order mgr phone		SCHEDULING	
HVAC/Electrical Rprs for African/American Cultural Ctr description of work		762 FULTON , [2 1 5] location		date auth date due	
ART COMMISSION requesting organization		LIZ LERMA , 252-2596 contact phone		date susp date comp	

We propose hereby to furnish material and labor — complete in accordance with specifications and sum shown below:

- Repair roof furnaces and test fire boxes for proper containment.
- Repair thermostats connected to roof units.
- Repair/replace ceiling-hung heaters in performance area.
- Provide ventilation ducts as required.
- Upgrade lighting in performance area as directed.
- Upgrade electrical system as directed.

Post-It™ brand fax transmittal memo 7671

of pages ▶ /

This estimate does not include the cost of abatement or removal of any hazardous material which may be present at the facility. If asbestos or other hazardous materials are discovered, delays in completion of project may occur, and additional costs will be the responsibility of the requesting party.

To	LIZ LARIMA	From	RICHT REIDY GHT.
Co.	ART COMM.	Co.	DPW-BBR
Dept.	252-2596	Phone #	695-2150
Fax #	252-2595	Fax #	695-2125

APPROVALS

Requesting organization:

department head

date

RETURN THIS ESTIMATE WITH AN ATTACHED COMPLETED
WORK ORDER TO THE RESPONSIBLE ORGANIZATION.

TOTALS

\$42,097.00

Responsible organization:

superintendent

date

deputy director

gate

FY:	95	RESP ORG:	90104	>>>>>>>> OFFFMA ACCOUNTING USE ONLY <<<<<<<<<						W/D:		USA	P/O	ACT				
DATE AUTHORIZED:				IND CD:		STEP:		CNP GRANT NO:		PROGRAMMING CODE:		R	E	C	I	2	7	5

[illegible]

AUTHORIZED BY

DATE _____

7TH BUILDING REPAIR

Attachment
Page 4 of 4

☒ open 5/13/86
☐ modify date
☐ close date

DPW-OPERATIONS
JOB ORDER

8 4 3 0

Estimate #

Bureau of Building Repair

responsible bureau

SOMAR - HVAC/Electrical Upgrades

job order title

B X 1	ID M&O of BLDGS	AL 11	ALT & IMPRVMT	C. CAMILLERI	695-2040
	program		activity	job order mgr	phone
	SOMAR HVAC & ELECTRICAL UPGRADES			934 BRANNAN	2 1 4
	description of work			location	
	ART COMMISSION			LIZ LERMA	252-2596
	requesting organization			contact	phone

SCHEDULING	
date auth	date due
date susp	date comp

We propose hereby to furnish material and labor — complete in accordance with specifications and sum shown below:

- Provide and install gas heaters and exposed spiral ductwork for two areas used as workrooms and classrooms, as directed.
- Provide additional lighting for gallery area, as directed.
- Grade for new driveway/walkway, and frame and pour as directed.
- Upgrade electrical service as directed.
- Make safety repairs, as directed.

Post-It™ brand fax transmittal memo 7671 # of pages 1

of pages > /

This estimate does not include the cost of abatement removal of any hazardous material which may be present at the facility. If asbestos or other hazardous materials are discovered during the completion of project may occur, and additional costs will be the responsibility of the requesting party.

To	LIZ LACINA	From	PICIT BRIDY GM.
Co.	ART COMM.	Co	DPW-3BR
Dept.	252-2596	Phone #	695-2180
Fax #	252-2545	Fax #	095-2125

APPROVALS

Requesting organization:

department head

dale

RETURN THIS ESTIMATE WITH AN ATTACHED COMPLETED
WORK ORDER TO THE RESPONSIBLE ORGANIZATION.

TOTALS

\$49,362.00

~~Responsible organization:~~

superintendent

gale

deputy director

date

[illegible]

AUTHORIZED BY

DATE _____

Item 15 - File 101-95-61.1

Department: Fire Department

Item: Hearing to consider release of reserved funds, Fire Department (1986 Fire Protection Bond interest earnings), in the amount of \$61,688.88 to fund the design, construction management and the construction of the Grant and Pacific Avenue Auxiliary Water Supply System (AWSS) facilities.

Amount: \$61,688.88

Source of Funds: 1986 Fire Protection Bond interest earnings

Description: In November of 1986, San Francisco voters approved the issuance of \$46.2 million in Fire Protection System Improvement General Obligation Bonds (Proposition A) to finance improvements to the City's Auxiliary Water Supply System (AWSS). The AWSS is a system of reservoirs, cisterns, pipelines, pump stations and fireboats which provide a source of water for fire protection.

The City sold \$31 million of these bonds in 1987 and \$15.1 million in 1991, for a total of \$46.1 million in Fire Protection System Improvement Bonds. In March of 1996, the Board of Supervisors approved a supplemental appropriation (File 101-95-61) of \$3,907,900 in accrued interest from Fire Protection System Improvement Bonds for four categories of capital improvement projects: (1) Repair and Improve Fireboat Phoenix; (2) Motorized AWSS Control Valves; (3) AWSS Water Storage Tank Repair; and (4) Immediate Emergency Repair of AWSS Facilities. The Board of Supervisors placed \$3,269,850 on reserve.

The Fire Department is now requesting the release of \$61,688.88 for a project that falls under the fourth category, Immediate Emergency Repair of AWSS Facilities. According to the Fire Department, from time to time AWSS facilities suffer failures such as broken or leaking pipes or pump failures. When failure occurs, immediate repair is required to restore protection capabilities. If the repair is beyond the ability of the DPW maintenance crew, private contractors must be hired to do the work immediately. The Board of Supervisors reserved a total of \$627,000 for Immediate Emergency Repair of AWSS Facilities, pending a determination as to the need for such expenditures and submission of related budget details to the Budget Committee.

Memo to Budget Committee
July 10, 1996 Meeting of Budget Committee

The \$61,688.88 in reserved funds would be used to fund the design, construction management and construction of AWSS facilities located at Grant and Pacific Avenues. Specifically, a corroded 18-inch diameter cast iron pipe would be replaced.

Budget: The proposed \$61,688.88 release of reserve would be used for the following expenditures:

Cal-North Engineering, Inc. Change Order (See Comment No. 2.) **\$15,895.00**

Removal of corroded pipe and installation of new pipe	\$14,450.00
Construction Contingency (10 percent)	<u>1,450.00</u>
Subtotal	\$15,895.00

Bureau of Engineering, Department of Public Works (DPW) **17,367.04**

Assoc. Mechanical Engineer (\$29.28 per hr. x 72 hrs.)	\$2,108.16
Mechanical Engineer (\$33.89 per hr. x 72 hrs.)	2,440.08
Senior Mechanical Engineer (\$39.23 per hr. x 4 hrs.)	156.92
Mechanical Engineering Assoc. I (\$22.39 per hr. x 100 hrs.)	2,239.00
Project Manager III (\$43.11 per hr. x 30 hrs.)	1,293.30
Mandatory Fringe and Overhead	<u>9,129.58</u>
Subtotal	\$17,367.04

Bureau of Construction Management (DPW) **22,362.11**

Civil Engineer (\$33.89 per hr. x 40 hrs.)	\$1,355.60
Materials Testing Aide (\$21.03 per hr. x 42 hrs.)	883.26
Construction Inspector (\$29.28 per hr. x 220 hrs.)	6,441.60
Various BCM Administration	1,926.24
Mandatory Fringe and Overhead	<u>11,755.41</u>
Subtotal	\$22,362.11

Department of Parking and Traffic **6,064.73**

Assistant Traffic Engineer (\$24.69 per hr. x 40 hrs.)	\$987.60
Traffic Engineer (\$33.89 per hr. x 26 hrs.)	881.14
Painting Traffic Striping & Markers	1,500.00
Mandatory Fringe and Overhead	<u>2,695.99</u>
Subtotal	\$6,064.73

TOTAL ESTIMATED COSTS **61,688.88**

Comments: 1. Mr. Robert Jew of the DPW states that the corroded pipe that would be replaced with the subject release of reserved funds was discovered when a contractor, Cal-North Engineering, Inc., who was under contract with the DPW to construct the Pacific Sewer Replacement, excavated the area as part of the sewer replacement work.

2. Mr. Jew advises that the subject pipe replacement work has already been completed. Mr. Jew states that the DPW authorized the contractor to proceed with the pipe replacement because merchants in the vicinity of Grant and

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BUDGET ANALYST

Pacific Avenues were concerned about the continuing presence of a hole in the street.

3. Mr. Jew states that Cal-North Engineering, Inc. was retained on an emergency contract to perform work on another project, the Pacific Sewer Replacement Project (File 28-95-32), which replaced a structurally inadequate sewer on Pacific Avenue between Grant Avenue and Kearny Street. The contract was awarded to Cal-North Engineering, Inc. as a result of a competitive bidding process. Cal-North Engineering, Inc. was the lowest of five bidders for the Pacific Sewer Replacement Project. Cal-North Engineering, Inc. is not an MBE or WBE firm.

The DPW authorized Cal-North Engineering, Inc. to replace the subject corroded AWSS pipe under a change order to the Pacific Sewer Replacement contract. Mr. Jew states that this was more efficient than going out to bid for the pipe replacement because the existing contract with Cal-North Engineering, Inc. includes excavation, backfill and repaving of the street. If the DPW had conducted a separate bidding process for the pipe replacement, the excavation, backfill and repaving of the street would have had to be performed twice.

Recommendation: Approve the proposed ordinance.

Memo to Budget Committee
July 10, 1996 Budget Committee Meeting

Item 16 - File 101-95-65.1

Department: Department of Human Resources

Item: Hearing to consider release of reserved funds, Department of Human Resources, 1995-96 Budget, in the amount of \$146,250 for outside professional services for collective bargaining negotiations, including arbitration, court reporter fees, expert testimony, and economic research costs.

Amount: \$146,250

Source of Funds: A supplemental appropriation of General Fund monies for the Department was approved in April 1996 and the funds for this purpose were reserved.

Description: In April of 1996 the Board of Supervisors approved a supplemental appropriation in the amount of \$464,628 for the Department of Human Resources to provide funds for the collective bargaining process in FY 1995-96. Of that amount, a total of \$146,250 was placed on reserve by the Board of Supervisors pending a report on the actual number of hours of arbitration and court reporters required by the Department. In addition, funds were reserved for the services of consultants for research and expert testimony pending a report on the hours, hourly rates, and MBE/WBE status of consultants. The Attachment, provided by the Department of Human Resources, is a table showing the hours and hourly rates for arbitration, court reporters, expert testimony, and economic research, at a total cost of \$146,015.

The MBE/WBE status of the Department's consultants for expert testimony, and economic research as listed in the Attachment is as follows:

<u>Firm Name</u>	<u>Type of Service</u>	<u>MBE/WBE Status</u>
David M. Griffiths	Salary Surveys	No
Harry Cisterman	Salary Surveys	No
Kristin Chambers	Economic Research	No
Maxfield and Associates	Salary Surveys	No
Robin Anderson	Economic Research	No
Towers Perrin	Actuarial Studies	No
R & G Consulting	Expert/Economic Research	No

Comments: 1. The Human Resources Department and the City Attorney's Office advise that the consultants selected for the collective bargaining process were selected on a sole source

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' Memo to Budget Committee
July 10, 1996 Budget Committee Meeting

basis because these consultants had been used by the Department effectively in FY 1994-95, and/or have specific expertise which, in their judgment, is not available from other consultants. Therefore, a Request for Proposal process was not used to select these consultants.

2. The Human Resources Department advises that the requested funds can be reduced to the itemized total shown in the Attachment, from \$146,250 to \$146,015, a savings of \$235.

Recommendation: Reduce the proposed request to \$146,015, in accordance with Comment No. 2 above, and approve the proposed release of reserve.

Note: the following matrix details direct CCSF costs incurred during negotiations and reflect the 50% split between CCSF and union (for arbitration and court reporter costs).

Description of Costs	Economic Research Hours	Hourly Rate \$/hour	Court Reporter (Days)	Projected Cost* \$1,000/day	Hrs. of Expert Testimony	Projected Cost \$125/hour	Days In Arbitration	Projected Cost \$1,000/day	TOTAL COST
Arbitration & Court Reporter Fees:									
Building Inspectors	-	-	1.0	\$1,000	-	-	3.0	\$3,000	\$4,000
District Attorney	-	-	2.0	\$2,000	-	-	4.0	\$4,000	\$6,000
Electricians	-	-	4.0	\$4,000	-	-	8.0	\$8,000	\$12,000
Local 21	-	-	13.0	\$13,000	-	-	19.0	\$19,000	\$37,000
Probation Officers	-	-	4.0	\$4,000	-	-	8.0	\$8,000	\$10,000
Sheetmetal Workers	-	-	2.0	\$2,000	-	-	4.0	\$4,000	\$6,000
UAPD	-	-	1.0	\$1,000	-	-	2.0	\$2,000	\$3,000
Subtotal Arbitration & Court Reporter Fees									\$75,000
Surveys & Research:									
DMG	70.00	75.00	-	-	-	-	-	-	5,250.00
Harry Cisternan	180.00	75.00	-	-	-	-	-	-	13,500.00
Kristin Chambers	425.00	25.00	-	-	-	-	-	-	10,625.00
Maxfield and Assoc.	150.00	75.00	-	-	-	-	-	-	11,250.00
Robin Anderson	380.00	15.00	-	-	-	-	-	-	5,700.00
Towers Perrin	56.00	240.00	-	-	-	-	-	-	13,440.00
Expert Testimony:									
R & G Consulting	-	-	-	-	90.00	125.00	-	-	11,250.00
Total Amount Requested for Release									146,015

* Court Reporter daily costs are calculated as follows:

Reporting Fees (average)	500.00	per day
Hearing Transcripts (averages \$7.50/page; 200 pgs)	1,500.00	per Hearing
Total Cost per Day	\$2,000.00	
Cost for CCSF	\$1,000.00	

Item 17 - File 60-96-6

Item:

The proposed ordinance would call for a special election to be conducted by the City and County on November 5, 1996 for the purpose of submitting propositions to the voters which would authorize the issuance of a total of \$173.3 million in General Obligation bonds at an interest rate not to exceed 12 percent per annum for (1) \$73,300,000 for the acquisition, construction and/or reconstruction of a new museum facility to replace the De Young Museum; and (2) \$100,000,000 for the financing of the low-income housing and down-payment assistance to low and moderate first-time homebuyers, and that the estimated cost of said projects is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require expenditures greater than the amount allowed therefor by the annual tax levy. The proposed ordinance would also consolidate the proposed special election with the general election previously scheduled, in accordance with State law.

Description:

The new de Young Museum facility that would be partially funded by the proposed ballot proposition is proposed to be a public/private partnership. General Obligation bonds in the amount of \$73.3 million are proposed to be issued, which is the amount equal to the project cost estimate for the mandatory seismic and code compliance renovation. The Museum Trustees have successfully acquired private funds for the restoration and expansion of the California Palace of the Legion of Honor, similar to what is proposed for the de Young Museum. Funds raised by Museum Trustees would include improvements to artwork preservation, expansion of the exhibit space, and improvements to the Museum's access. It is anticipated that the costs of the improvements to be raised by private funds by Trustees would cost \$44.1 million. Therefore, the total project budget is estimated at \$117.4 million, comprised of \$73.3 million in General Obligation bonds and \$44.1 million in private funds to be raised by the Museum Trustees

The \$100.0 million for the financing of the low-income housing and down-payment assistance would provide that 85 percent of the net proceeds of the bond sales would be used for development of affordable rental housing. Funding for specific development projects would be subject to future recommendations of the existing Housing Committee that is appointed by the Mayor, in accordance with a comprehensive plan that is updated every year and will incorporate the use of these bond funds if approved by the Board of Supervisors and the voters. Project funding from bond proceeds could range from grants, which may not be repaid to the City, to loans, depending

Memo to Budget Committee
July 10, 1996 Budget Committee Meeting

on the project's other income and ability to support loan repayment requirements. Any repayments of loans would be used to fund additional development projects. 15 percent of the net proceeds of the bond sales would be used for the homeownership assistance program loans for downpayments. To be eligible for such loans, the household income for borrowers shall not exceed 100 percent of the median income for the San Francisco Metropolitan Statistical Area, as established from time to time by the U.S. Department of Housing and Urban Development. Currently, the median income for a single person is \$42,500 annually, and the median income for a household of four is \$61,250. Borrowers at 100 percent of the median income would be eligible for downpayment loans of up to \$30,000, and persons at 80 percent of the median income would be eligible for loans of up to \$50,000. The loans would be repaid, with interest and would be based on the amount of the increased value in the property, at the time of sale of the residence. Any such repayments would be used as a source of funds for similar homeownership assistance loans on the same terms. The proposed bonds would be issued over a five-year period (not more than \$20 million per year).

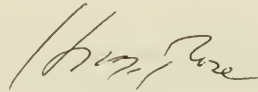
Comments:

1. The Board of Supervisors has previously approved a resolution determining and declaring that the public interest and necessity demand the acquisition, construction, or reconstruction by the City to replace the de Young Museum and all other works, property and structures necessary or convenient for the foregoing purposes, at an estimated to of \$73.3 million (File 170-96-7); and a resolution determining and declaring that the public interest and necessity demand the financing of (1) the development of housing affordable to low-income households in the City and County of San Francisco and (2) downpayment assistance to low and moderate income first-time homebuyers and all other aspects necessary or convenient for the foregoing purposes, at an estimated cost of \$100.0 million (File 170-96-6).
2. Ms. Germaine Wong, Registrar of Voters, states that the proposed special election, that would be consolidated with the scheduled general election to be held on November 5, 1996, would result in increased costs of approximately \$25,000 to \$50,000 for each ballot measure, primarily for printing, mailing and related expenses. Ms. Wong states that adequate funding has been provided for in the recommended 1996-97 budget for the Registrar of Voters that is pending before the Board of Supervisors.

Memo to Budget Committee
July 10, 1996 Budget Committee Meeting

3. If \$173,300,000 in bonds were to be issued, the bonds would result in an increase in the Property Tax rate of approximately \$0.0278 per \$100 of assessed value. At this rate, the owner of a single family residence assessed at \$300,000 would pay \$81.45 in additional annual property taxes beginning in 1997-98, due to the issuance of these bonds.

Recommendation Approve the proposed ordinance based on the prior approval by the Board of Supervisors of resolutions declaring the public interest and necessity of the proposed General Obligation bond issuances relating to the respective projects.



Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Kaufman
Supervisor Bierman
President Shelley
Supervisor Alioto
Supervisor Ammiano
Supervisor Brown
Supervisor Katz
Supervisor Leal
Supervisor Teng
Supervisor Yaki
Clerk of the Board
Controller
Margaret Kisliuk
Paul Horcher
Ted Lakey

MINUTES

DOCUMENTS DEPT

AUG 27 1996

SAN FRANCISCO
PUBLIC LIBRARY

REGULAR MEETING
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, JULY 17, 1996 - 1:00 P.M.

VETERANS BUILDING
401 VAN NESS AVENUE
ROOM 410

MEMBERS: SUPERVISORS TOM HSIEH, BARBARA KAUFMAN, SUE BIERMAN

ACTING CLERK: BARBARA STAVRO-TAYLOR

TIME MEETING CONVENED: 1:15 P.M.

REGULAR MEETING

1. File 101-95-71. [Appropriation, Department of Public Works] Ordinance Appropriating \$57,902,290, Department of Public Works, of 1996A City Hall Improvement Bond Fund proceeds for design and construction of non-seismic improvements at City Hall, for fiscal year 1995-96. (Controller) RO #95182

SPEAKERS: Harvey Rose, Budget Analyst, Tony Irons, DPW, Margaret Kisliuk, Mayor's Office, Michael Levin

ACTION: Hearing held. Amended. Add: "placing \$43,524,203 on reserve".
RECOMMENDED AS AMENDED.

VOTE: 3-0.

2. File 97-96-31. [Memberships - Board of Supervisors] Ordinance amending Administrative Code by amending Section 16.6-1 to add to the list of organizations in which the Board of Supervisors provides representation for the City and County of San Francisco, the Urban Counties Caucus.

SPEAKERS: Harvey Rose, Budget Analyst, Margaret Kusliuk, Mayor's Office

ACTION: Hearing held. RECOMMENDED.

VOTE: 3-0

3. File 100-96-5. [Transfer of Hetch Hetchy Surplus Funds] Resolution concurring with the Public Utilities Commission's fact finding that a fund surplus of \$30,165,393 exists in the Utilities which can be transferred to the General Fund. (Public Utilities Commission)

SPEAKERS: Harvey Rose, Budget Analyst, Lawrence Klein, Hetch Hetchy

ACTION: Hearing held. Amended. (Charter Section 6.407 amended to reflect Section 16.103 of the new City Charter) RECOMMENDED AS AMENDED.

VOTE: 3-0.

4. File 101-94-18.2. [Reserved Funds, Sheriff Department] Hearing to consider release of reserved funds, Sheriff Department, from the General Fund Reserve, in the amount of \$152,768 to fund the City Attorney (for consultant expenses related to the New Sheriff's Facility litigation). (City Attorney)

ACTION: Hearing held. CONSIDERATION CONTINUED TO JULY 24, 1996,
CLOSED SESSION MEETING.

VOTE: 3-0.

TIME MEETING ADJOURNED: 2:55 P.M.

Mr. Kate Wagner

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

July 12, 1996

TO: Budget Committee

DOCUMENTS DEPT.

FROM: Budget Analyst

JUL 15 1996

SUBJECT: July 17, 1996 Budget Committee Meeting

SAN FRANCISCO
PUBLIC LIBRARY

Item 1 - File 101-95-71

Note: An Amendment of the Whole was continued by the Budget Committee at its meeting of April 24, 1996.

Department: Department of Public Works (DPW)

Item: Supplemental appropriation ordinance appropriating \$57,902,290 for design and construction of non-seismic improvements at City Hall, for bond issuance costs for the Offices of the Chief Administrative Officer, Controller and the City Attorney and for repayment of the General Fund advance for Fiscal Year 1995-96.

Amount: \$57,902,290

Source of Funds: 1995 City Hall Improvement Bond Funds

Description: In November 1995, San Francisco voters approved a \$63.59 million bond issuance to support non-seismic improvements to City Hall (Proposition A). These improvements include increased disability access, telephone and data wiring, electrical service, hazardous material abatement, repair and refurbishment of the copper dome, exterior railings and various other expenditures, as detailed below. The proposed supplemental appropriation ordinance would appropriate the 1995 City Hall Improvement Bond funds for the project.

Construction (Remaining Balance) **\$43,524,203**

Construction costs, which total an estimated \$46,253,453, include all of the construction contractor costs for the City Hall Non-Seismic Improvement Project. The Board of Supervisors previously funded three construction contractors (plus construction management fees) totally \$2,729,250, leaving a remaining balance in estimated construction costs of \$43,524,203 (\$46,253,453 less \$2,729,250 - See Comment 3.) The successful low bidder(s) would work as subcontractors to the general contractor for the Seismic Retrofit project, Huber Hunt & Nichols. The DPW advises that this arrangement would increase accountability by assuring a single source of responsibility for all City Hall work, and would also avoid complications and added costs that might arise from having two or more competing general contractors at the same job site simultaneously. Construction for the City Hall Non-Seismic Improvement Project is anticipated to be completed by December 31, 1998 (see Attachment 1). The proposed \$43,524,203 in Construction costs would support the following:

Infrastructure	\$7,445,203
Telecommunications	3,166,000
Tenant Improvements	24,545,000
Windows	998,000
Roofing and Skylights	2,965,000
Dome Cleaning and Restoration	966,000
Ornamental Metals	2,266,000
Exterior/Interior Stone Cleaning	798,000
Signage	<u>375,000</u>
Total for Construction	\$43,524,203

Design and Bid Services
(Remaining Balance) **\$4,106,316**

Design and Bid Services includes producing all design and construction drawings and specifications. The documents will be advertised and bids received by the DPW Contracts Administration Division. Design and Bid Services, at a total cost of \$5,635,171, represents 12 percent of the total estimated construction costs of \$46,253,453 for the project. Budget details for the \$4.1 million Design and Bid Services are as follows:

Memo to Budget Committee
July 17, 1996 Budget Committee Meeting

	No. of Hours	Hourly Rate	Amount	Total
<u>In-House</u>				
<u>DPW</u>				
Senior Architect	278	\$89	\$24,724	
Architect Associates II	1,389	66	91,674	
Architect Associates I	1,109	57	63,211	
Architect Assistant I	1,389	48	66,672	
Engineering Assistant I	556	50	27,780	
Inspector	<u>833</u>	72	<u>60,005</u>	
Subtotal In-House	5,554			\$334,066
<u>Consultants</u>				
<u>Turner</u>				
Mechanic/Electric Consultant	1,389	\$80	111,120	
Estimator	<u>1,389</u>	80	<u>111,120</u>	
Subtotal Turner	2,778			222,240
<u>Carey & Co.</u>				
Principal	278	110	30,558	
Project Manager	695	85	59,033	
Conservator	<u>863</u>	70	<u>60,409</u>	
Subtotal Carey & Company	1,836			150,000
<u>Joseph Chow & Associates</u>				
Principal	139	135	18,752	
Senior Associate	226	105	23,745	
Architect	<u>417</u>	90	<u>37,503</u>	
Subtotal Page Turnbull	782			80,000
<u>Heller-Manus Group</u>				
Principal	1,513	120	181,560	
Senior Architect	8,319	105	873,495	
Architect	15,882	90	1,429,380	
Assistant	<u>12,855</u>	65	<u>835,575</u>	
Subtotal Heller-Manus	38,569			<u>3,320,010</u>

Total Design and Bid Services \$4,106,316

Client Department Services \$230,617

Client Department Services includes funding for the offices of the City Attorney, Controller, Controllers ISD, Department of Telecommunications, Real Estate, CAO and the Purchaser to review advice and consent on the design, construction and reoccupation of the building. Specific budget details for Client Department Services are as follows:

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
July 17, 1996 Budget Committee Meeting

	No. of Hours	Hourly Rate	Amount	Total
<u>In-House</u>				
<u>CAO</u>				
Special Assistant XII	1,614	\$42	\$67,801	\$67,801
<u>Real Estate</u>				
Principal Property Mgr.	1,596	102	162,816	<u>162,816</u>
Total Client Department Services				\$230,617

DPW Project Management **\$583,869**

DPW Project Management includes funding for 3.2 FTEs to solicit proposals, manage 16 contracts, coordinate all design information, reviews, approvals and permits, and integrate all work into the concurrent seismic project. Specific budget details for DPW Project Management are as follows:

	No. of Hours	Hourly Rate	Amount	Total
<u>DPW</u>				
Project Manager II	816	\$81	\$66,096	
Project Manager I	652	70	45,640	
Senior Architect	2,446	89	217,694	
Inspector	2,447	72	176,184	
Executive Secretary I	<u>1,665</u>	47	<u>78,255</u>	
	8,026			
Total Project Management				\$583,869

Permits, Approvals, Testing and Inspection **\$1,844,939**

Permits, Approvals, Testing and Inspection includes obtaining building permits and local and state preservation review and approval and performing construction inspection and testing of all construction components to assure code compliance and quality assurance. See Attachment 2 provided by DPW for specific permits and permit amounts.

Construction Services **\$2,767,408**

Construction Services includes funding for the construction management team of 14.8 in-house FTEs and 4.4 consultant FTEs listed below to monitor all estimates and schedules,

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BUDGET ANALYST

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analyze costs, interpret the conditions and requirements of the contract and ensure compliance with the contract documents. Budget details for Construction Services are as follows:

	<u>No. of Hours</u>	<u>Hourly Rate</u>	<u>Amount</u>	<u>Total</u>
<u>In-House</u>				
<u>DPW</u>				
Senior Architecture	3,819	\$89	\$339,891	
Architect	3,055	77	235,250	
Architect Assoc. II	6,110	66	403,286	
Architect Assoc. I	3,055	57	174,146	
Architect Asst. I	3,819	48	183,312	
Engineering Asst. I	3,819	50	190,950	
Inspector	<u>3,819</u>	72	<u>274,968</u>	
Subtotal DPW	27,496			\$1,801,803
<u>CAQ</u>				
Special Asst. XII	1,909	40	76,380	76,380
<u>Real Estate</u>				
Principal Property Manger	<u>1,528</u>	96	146,650	<u>146,650</u>
Subtotal In-House	30,933			\$2,024,833
<u>Consultants</u>				
<u>Turner</u>				
Mechanical/Electric Consultant	3,819	80	305,520	
Estimator	<u>3,819</u>	80	<u>305,520</u>	
Subtotal Turner	7,638			611,040
<u>Carey & Co.</u>				
Principal	382	110	42,009	
Project Manager	649	85	55,185	
Conservator	<u>491</u>	70	<u>34,341</u>	
Subtotal Carey & Co.	<u>1,522</u>			<u>131,535</u>
Subtotal Consultants	9,160			<u>\$742,575</u>
Total Construction Services				\$2,767,408

Contract Administration **\$922,469**

Contract Administration, at approximately two percent of the total \$46,253,453 Construction costs, includes maintaining a proactive presence on the job site by the architectural and engineering team and working with the contractor on-site to resolve issues arising from unforeseen or changed conditions quickly.

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July 17, 1996 Budget Committee Meeting

	No. of Hours	Hourly Rate	Amount	Total
<u>In-House</u>				
<u>DPW</u>				
Senior Arch.	955	\$89	\$84,973	
Inspector	<u>1,146</u>	72	<u>82,490</u>	
Subtotal DPW	2,101			\$167,463
<u>Consultants</u>				
<u>Heller-Manus Group</u>				
Principal	766	120	91,656	
Senior Architect	2,482	105	260,647	
Architect	3,819	90	343,710	
Assistant	<u>908</u>	65	<u>58,993</u>	
Subtotal Heller-Manus Group	7,975			<u>755,006</u>
Total Contract Administration				\$922,469

Post-Construction Services **\$922,469**

Post Construction Services, at approximately two percent of the total \$46,253,453 Construction costs, includes funding for alterations and adjustments due to departments changing size and/or function during the construction period. Funds are also included to support follow-up construction services of the building mechanical and utility systems after occupancy. Budget details for Post Construction Services are as follows:

	No. of Hours	Hourly Rate	Amount	Total
<u>In-House</u>				
<u>DPW</u>				
Project Manager II	693	\$81	\$56,149	
Project Manager I	347	70	24,262	
Senior Arch.	1,386	89	123,390	
Architect	1,733	77	133,441	
Inspector	1,733	72	124,776	
Executive Secretary I	<u>260</u>	47	<u>12,217</u>	
Subtotal In-House	6,152			\$474,235
<u>Consultants</u>				
<u>Heller-Manus Group</u>				
Principal	347	120	41,592	
Senior Architect	1,733	105	181,965	
Architect	2080	90	187,164	
Assistant	<u>577</u>	65	<u>37,513</u>	
Subtotal Heller-Manus Group	4,737			<u>448,234</u>
Total Post-Construction Services				\$922,469

BOARD OF SUPERVISORS
BUDGET ANALYST

Lease Extension

\$3,000,000

Funds are required to extend current leases on temporary offices for departments previously occupying City Hall. Attachment 3, provided by the Real Estate Department, contains complete detailed information on the \$3 million request, including the amount allocated to each landlord. As noted on this attachment, the amount of such rent is \$2,996,994, or \$3,006 less than the amount included in this supplemental appropriation request.

GRAND TOTAL

\$57,902,290

Budget Summary Table

<u>Cost Component</u>	<u>Amount</u>
Construction	\$43,524,203
Design and Bid Services	4,106,316
Client Services	230,617
DPW Project Management	583,869
Permits, Approvals, Testing and Inspection	1,844,939
Construction Services	2,767,408
Contract Administration	922,469
Post Construction Services	922,469
Lease Extensions	<u>3,000,000</u>
TOTAL	\$57,902,290

Comments:

1. The City Hall Seismic Retrofit, a \$181 million component of the \$332.4 million Earthquake Safety Program - Phase 2, is entirely separate from this proposed supplemental appropriation ordinance. The projects proposed under this supplemental appropriation, as defined by Proposition A, approved by the electorate in November of 1995, were not included in the scope of the seismic project. However, much of the proposed improvement work, such as disabled access and hazardous material abatement, will be an extension of the work being completed as part of the City Hall Seismic Retrofit, according to the DPW.

2. Under this request, the DPW would use four consulting contractors. The hours and hourly rates for these consultants are specified in the budget, above. Each of the consultants was selected through an RFQ process, as follows:

- Heller-Manus, Finger & Moy, Komorous-Towey, a Joint Venture, at a cost of \$3,320,010 for design services. Heller-Manus, Finger & Moy, Komorous-Towey is not an MBE/WBE firm. Finger & Moy is a WBE, and Komorous-Towey is an MBE firm. The DPW received qualifications from nine bidders for this contract;

- Turner Construction, at a cost of \$222,240 for design services. Turner Construction is not an MBE or a WBE firm. The DPW received qualifications from seven bidders for this contract;

- Carey & Company, at a cost of \$150,000 for design services. Carey & Company is a WBE firm. The DPW received qualifications from four firms for this contract; and

- Joseph Chow and Associates, at a cost of \$80,000 for design services. Joseph Chow and Associates is an MBE firm. The DPW received qualifications from 15 firms for this contract.

3. The DPW will be issuing Invitations for Bids (IFBs) for construction contractors, for the balance of the construction work which is \$43,524,203, for this non-seismic improvement project at City Hall. As noted above, the successful low bidder(s) would work as subcontractors to the general contractor for the Seismic Retrofit project, Huber Hunt & Nichols.

The estimated amount of construction contract costs not yet appropriated of \$43,524,203 should be reserved pending selection of contractors and information regarding the hours, hourly rates, and MBE/WBE status of the contractors.

4. Attachment 4 is a memorandum from Mr. Tony Irons of DPW which describes a potential allocation of space at City Hall, based on a new occupancy plan developed by Mr. Irons. According to Mr. Irons, the total potential occupancy of City Hall, excluding public space, is 824 employees to be located in a total of approximately 275,000 square feet of space. This occupancy plan is based on City Hall being fully occupied by 824 employees and specifies a list of (1) City departments and other functions which are scheduled to return to City Hall, (2) City departments that would be new to City Hall, and which are currently located in City-owned facilities, (3) City

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
July 17, 1996 Budget Committee Meeting

departments and functions that would be new to City Hall, and which are currently located in facilities leased by the City, and (4) City departments and functions which would not return to City Hall. Mr. Irons estimates that based on the new occupancy plan, 126,000 square feet of space would be allocated to departments and functions which were not previously located in City Hall, compared to 116,000 square feet of space which would have to be leased for departments that are not returning to City Hall. Mr. Irons adds that City Hall will be designed to accommodate full occupancy, but which specific departments will occupy City Hall is still being considered.

5. The 1995 City Hall Improvement Bond Funds total \$63,590,000, of which, \$5,687,710 has been previously appropriated by the Board of Supervisors as follows:

Bond Insurance Costs	\$300,000
<u>Construction Costs:</u>	
Otis Elevator	\$997,000
Aman Environmental (demolition)	813,000
CST (asbestos)	520,000
Construction Management Fees	<u>399,250</u>
Subtotal Construction	2,729,250
Reimburse General Fund for Advances made prior to bond issuance	1,129,605
Design (for 3 months)	<u>1,528,855</u>
Total Previously Appropriated	\$5,687,710

- Recommendations:**
1. Amend the proposed supplemental appropriation request to reserve \$43,524,203 pending selection of construction contractors and information regarding their MBE/WBE status.
 2. Approval of the proposed ordinance, as amended, is a policy decision for the Board of Supervisors.

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APR 3, 1996 2:22PM H173 P.02

FROM: OMNIFAX

TO:

CITY HALL RELOCATION - ESTIMATED COST TO EXTEND LEASES

Rev. SL-6/7/95	Area SF.	Annual Rate	6 MONTHS	1 YEAR
633 FOLSOM STREET (1)(5)(M)(S)				
Registrar	15,468 \$	15.00	\$ 116,010	\$ 232,020
Purchaser	6,705 \$	15.00	\$ 50,288	\$ 100,575
Sheriff(Admin.)	6,336 \$	15.00	\$ 47,520	\$ 95,040
875 STEVENSON STREET (2)				
All Depl.	121,570 \$	14.88	\$ 904,481	\$ 1,808,962
401 VAN NESS AVENUE (3)				
All Depl.	59,961 \$	7.00	\$ 209,864	\$ 419,727
1390 MARKET STREET (4)				
City Attorney (Portion)	15,820 \$	15.50	\$ 122,605	\$ 245,210
44 GOUGH STREET (5)				
Human Resources	7,955 \$	12.00	\$ 47,730	\$ 95,460
			\$ 1,498,497	\$ 2,996,994

Notes:

- 1) Two six month options for full floors at the same rent, 90 and 60 day notice required.
- 2) Two six month options for full floors at the same rent, 60 day notice required.
- 3) Two six month options at actual operating expense.
- 4) Two six month options at same rent plus increase in operating cost.
- 5) Two two year options at 95% of the then fair market value.
- 6) Courts area of 141,747 not included. If included, six month additional cost is \$1,063,102, or \$2,126,205 per year.
- 7) The above estimate does not include operation costs included in the General Fund Budget.
- 8) 633 Folsom Street cost does not include reconfiguration due to partial floor occupancy.

S a n F r a n c i s c o
C I T Y H A L L



Seismic Retrofit Project

Building Improvement Project

☐ 2288U

☐ 1049H

M E M O R A N D U M

TO: The Honorable Tom Hsieh DATE: June 27, 1997
Board of Supervisors
Chairman, Budget Committee

FROM: Anthony E. Irons SUBJECT: Proposition "A"
Project Manager - City Hall November 1995

ATTENTION: Stephen Kawa
Administrative Assistant

Please find attached a space allocation and bond savings analysis for the November 1995 Proposition "A" Improvement Bond. This document identifies potential savings of \$500,000 per year with possible savings being far greater.

City Hall will be designed to provide power, voice and data throughout the building irrespective of the actual assignment of uses. The total potential occupancy of the building with the light courts remaining as public space is 824. One hundred and twenty-six thousand square feet of space could potentially be allocated for departments which had not previously been in City Hall and were paying leases. At \$15/ sq. ft. this represents a savings of \$1,890,000 per year. One hundred and sixteen thousand square feet of new space would be required for tenants not returning to City Hall. At \$15/sq. ft. this is a total yearly cost of \$1,740,000. The savings, therefore, are a total of \$150,000 per year for this aspect of the bond.

The Honorable Tom Hsieh
June 27, 1996
Page 2

Additionally, the building will have two grand public spaces in the light courts available for events. Provided the City is willing to charge a fee beyond the operational cost for use of these spaces, as does the Academy of Sciences and the Legion of Honor, an additional savings in the form of this revenue could be realized. The amount of this savings could be \$260,000 per year for one event per week or as much as \$1,000,000 a year for four events per week.

If the City chooses to utilize the Veterans Building space for future City functions, additional savings in the amount of \$7/sq. ft. could be realized. It seems clear that depending upon the policy decisions regarding these issues, the savings the City could realize might easily validate the Proposition "A" ballot argument statement of savings of \$1,000,000 per year.

If you have any questions regarding this matter, please feel free to contact me at 863-0273.

TI:yc

cc: Emilio Cruz
William Lee
Mark Primeau
Harlan Kelly

**City Hall
Possible Space
Allocations and Bond Savings**

Department	SF	No. Employees
Returning to City Hall		
Mayor	22,000	68
Board of Supervisors	24,000	105
City Attorney	14,000	77
City Administrator/Admin Services	10,000	31
Hearing Room	2,000	0
Other Department	15,000	35
City Services	17,000	25
DET	1,000	6
Press	1,000	6
DPW Bldg Maintenance/Storage/Custodial	10,000	12
Post Office	1,000	0
Cafeteria	3,000	0
Total	120,000	365
New to City Hall (Without Prior Rent)		
Childcare	4,000	8
Security	1,000	5
Bicycle Storage	1,000	0
Secure Entry	2,000	3
Kitchen & Event Storage	4,000	0
Hearing Rooms	0	0
Event/Museum Space	0	0
Public Space/Lightcourts	17,000	0
Total	29,000	16
New to City Hall (With Prior Rent)		
Mayor or other Departments	30,000	89
City Attorney and/or Other Departments	60,000	222
Potential Departments in Public Space & Hearing Rooms	36,000	132
Totals	126,000	443
Save	X\$15/SF/Yr \$1,890,000/Yr	
Total	275,000	824

**City Hall
Possible Space
Allocations and Bond Savings**

Department	SF	No. Employees
Relocated to Other Space:		
Assessor	14,000	103
Assessment Appeals	2,000	8
Recorder	10,000	35
Treasurer/Tax Collector	24,000	168
Controller	20,000	144
Human Resources	7,000	43
DPW	21,000	120
Law Library (In Vets) (10,000 sf)	0	0
Purchaser	6,000	25
Permit Appeals	2,000	4
PUC	3,000	7
Sheriff	7,000	35
Totals	116,000	695
Cost	X\$15/SF/4yr	
	(\$1,740,000)	
Savings (from Sheet 1)	\$1,890,000	
Relocation Lease Costs	(1,740,000)	
Total Savings/Yr	\$150,000	

Note:

- A) If a fee of approximately \$5,000 per event is charged for 52 events per year in the lightcourt areas, the revenue is \$260,000/yr.
- B) If in addition to the Law Library, 12,000 sf of the Veterans Building is occupied by other City functions (e.g. Art Commission) the savings would be \$90,000/yr.
- C) With these scenarios, the total savings are \$500,000/yr.
- D) These savings could be increased by:
 - 1. Renting lightcourts for more than 1 event per week.
 - 2. Using more than 22,000 sf of the Veterans Building.
 - 3. Charging admission to City Museums or other functions on the Main Floor.

Item 2 - File 97-96-31

Department: Board of Supervisors

Item: Ordinance amending Administrative Code by amending Section 16.6-1, to add one organization to the membership list of the Board of Supervisors.

Amount: \$20,000

Source of Funds: Not yet identified.

Description: The proposed ordinance would amend Section 16.6-1 of the City's Administrative Code to add one organization to the membership list of the Board of Supervisors.

The proposed ordinance would authorize the City and County of San Francisco to join the Urban Counties Caucus (UCC) for an annual membership fee of \$20,000.

Comments: 1. The Urban Counties Caucus is an organization located in Sacramento at the same location as the California State Organization of Counties (CSAC). Ms. Casey Kaneko, Executive Director of the Urban Counties Caucus, reports that currently nine of the 12 California counties, which have been identified by CSAC as urban counties, are members of the UCC. The nine counties and the annual dues which these counties pay are as follows:

<u>Name of County</u>	<u>Amount of Annual Dues</u>
Alameda	\$20,000
Los Angeles	20,000
Orange	20,000
Riverside	20,000
Sacramento	20,000
San Bernardino	20,000
San Diego	20,000
Santa Clara	20,000
Ventura	20,000

The three urban counties, which are not yet members of UCC and which have also been requested to pay annual dues of \$20,000, are Contra Costa, San Mateo and San Francisco.

2. UCC was formed in 1991 specifically to represent the high population counties that were not being addressed through other avenues. According to Ms. Kaneko, "the organization

BOARD OF SUPERVISORS
BUDGET ANALYST

has matured and evolved to one which is respected and works well with CSAC and our individual county lobbyists. We are now able to face the Legislature and the Administration in Sacramento in a coordinated way on issues on which we find common ground. Our collective legislative delegations include almost three-fourths of the members of the legislature." Further Ms. Keneko states that in 1996 UCC will be pursuing an aggressive legislative agenda with includes reversal of the Educational Revenue Augmentation Fund (ERAF), Health and Welfare reform measures and justice funding.

3. The City and County of San Francisco is currently a member of CSAC, which provides legislative updates to member counties. San Francisco has budgeted \$105,000 in the budget of the Board of Supervisors for membership dues for Fiscal Year 1996-97.

4. Funding for the \$20,000 annual membership fee for the Urban Counties Caucus has not been included in the Board of Supervisors FY 1996-97 budget. Since funding for the \$20,000 annual dues is not presently budgeted, a supplemental appropriation would be required to join the UCC during Fiscal Year 1996-97.

5. Ms. Margaret Kisliuk, of the Mayor's Office, has advised that membership in the UCC may be beneficial to the City and County based on past experience with the organization. She also suggested that, if the Board of Supervisors decides to join, it would be reasonable to request a partial year rate (such as \$10,000 instead of \$20,000) since the City and County would not receive a full year of UCC's services.

Recommendation: Approval the proposed ordinance is a policy matter for the Board of Supervisors.

Item 3 - File 100-96-5

1. The proposed resolution would concur with the Public Utilities Commission's finding that Hetch Hetchy has available surplus monies of \$30,165,393 which can be transferred to the General Fund.

2. Charter Section 16.103 specifies that if, as part of the budgeting process, the Controller estimates that there will exist, at the end of the budget year, excess surplus funds of a utility, the Board of Supervisors may budget such excess as a revenue transfer to the General Fund for that budget year. For the purposes of this Charter subsection, excess surplus funds are defined as unappropriated, unencumbered funds in excess of 25% of the total expenditures of such utility in the previous fiscal year for costs of operation, repair and maintenance.

3. Charter Section 16.103 further specifies that the Public Utilities Commission (PUC), with the concurrence of two-thirds of the Board of Supervisors, may authorize the transfer of *any* portion of a utilities' surplus funds to the General Fund upon making all of the following findings of fact and judgment:

- (a) That a surplus exists or is projected to exist after meeting the requirements of Section 16.103;
- (b) That there is no unfunded operating or capital program which by its lack of funding could jeopardize health, safety, water supply or power production;
- (c) That there is no reasonably foreseeable operating contingency which cannot be funded without general fund subsidy;
- (d) That such transfer of funds in all other respects reflects prudent utility practice.

4. In accordance with the foregoing Charter provision, on June 18, 1996, the Public Utilities Commission held a public hearing and adopted Resolution No. 96-0122 making findings of fact and judgment which resulted in a total authorized transfer from Hetch Hetchy to the General Fund of \$30,165,393.

Comments

1. The General Manager of Hetch Hetchy, Mr. Lawrence Klein, estimates that Hetch Hetchy will have a fund balance of approximately \$4,600,000 at the end of FY 1996-97, net of the proposed fund transfer. Mr. Klein has also stated that such a fund balance is adequate to provide for the consequences of reasonably foreseeable non-drought related contingencies.

2. The proposed legislation refers to Section 6.407 of the 1932 City Charter. This reference should be amended to reflect Section 16.103 of the new City Charter.

Memo to Budget Committee
July 17, 1996 Budget Committee Meeting

3. The proposed transfer of Hetch Hetchy monies to the General Fund is consistent with the recommendations of the Budget Committee in the FY 1996-97 Budget.

Recommendation

Amend the proposed resolution on lines 6 and 19 of page one to reflect Charter Section 16.103 in lieu of Charter Section 6.407 and approve as amended.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 4 - File 101-94-18.2

Department: City Attorney's Office
Sheriff's Department

Item: Release of \$152,768 in reserved funds for use by the City Attorney's Office in defense of the General Construction Contractor's claim against the City and in the prosecution of the City's claim against the project architect regarding the Sheriff's New Jail Facility.

Amount: \$152,768

Source of Funds: General Fund Reserve

Description: In November, 1994 the Board of Supervisors approved a supplemental appropriation of \$152,768 for additional costs related to the Sheriff's New Jail Facility, located at Seventh and Bryant Streets (File 101-94-18.1). This appropriation was for the City Attorney's Office, for preparation of the City's planned claim against the project architect, and the City's defense against the anticipated claim from the General Construction Contractor, including the hiring of consultants by the City Attorney's Office. The Board of Supervisors placed the entire \$152,768 on reserve, pending the selection of outside consultants, the MBE/WBE status of the consultants, and contract cost details.

At this time, the City Attorney's Office is requesting the release of this \$152,768 in reserved funds for continued defense by the City Attorney of the General Construction Contractor's claim against the City, and the continued prosecution of the City's case against the project architect.

Budget: The City Attorney has identified costs totalling \$575,020 for services associated with the City's defense against the claim from the General Construction Contractor and the City's prosecution of the project architect, for July through December, 1996. These estimated costs are as follows:

City Attorney's Office Costs:

<u>Attorney</u>	<u>Hours</u>	<u>Hourly Rate</u>	<u>Cost</u>
Wong	208	\$140	\$29,120
Flores	988	125	123,500
Cox	728	125	91,000
Lee	520	95	49,400
	2,444		

Subtotal, Attorney Costs

\$293,020

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
July 17, 1996

Other Costs

Copying costs, incurred but not paid yet	\$27,000	
Copying costs, July - December 1996	20,000	
Other Discovery-related costs	<u>15,000</u>	
Subtotal, Other City Attorney's Office Costs		<u>62,000</u>

Subtotal, City Attorney's Office Costs	<u>\$355,020</u>
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Outside Consultant Costs

Consultants Already Selected:

Scheduling Consultant: Barba Arkhon	\$50,000	
Financial Audit: Tucker Alan	30,000	
Electrical Systems Consultant - Larry Wolff	<u>25,000</u>	
Subtotal, Consultants Already Selected		<u>\$105,000</u>

Consultants Not Yet Selected:

Security Systems Consultant	\$40,000	
Fire & Safety Systems Consultant	35,000	
Labor Efficiency Consultant	<u>40,000</u>	
Subtotal, Consultants Not Yet Selected		<u>115,000</u>

Subtotal, Outside Consultants	<u>\$220,000</u>
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TOTAL ESTIMATED COSTS	<u>\$575,020</u>
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Comments:

1. Mr. Anthony Flores, Deputy City Attorney, reports that to date, the City Attorney's Office has expended \$187,232 on litigation related to the Sheriff's New Jail Facility, which does not include the estimated \$575,020 in anticipated costs through the end of 1996, for total expenditures of approximately \$762,252. Mr. Flores further estimates that, if this case goes to trial, litigation costs incurred in 1997 could be as high as an additional \$250,000 or more, for total litigation costs in excess of \$1 million. The City Attorney's Office indicates that "further appropriations may be necessary" if this matter is not resolved in the near future.

2. Mr. Flores reports that subsequent to the initial supplemental appropriation of funds, the General Construction Contractor has submitted its claim to the City Attorney, on behalf of itself and sixteen subcontractors, in the amount of approximately \$20 million. Mr. Flores further reports that protracted negotiations between the City and the General Construction Contractor have yielded few results, and that the General Construction Contractor has requested production of documents from each City department and agency involved in the design and construction of the New Sheriff's Facility. Mr. Flores anticipates the City Attorney's Office will need to prepare for, take, and defend at least two dozen depositions from key project personnel. According to

BOARD OF SUPERVISORS
BUDGET ANALYST

Mr. Flores, if this case cannot be resolved through a negotiated settlement, the case will go to trial. As noted above, anticipated total litigation costs may exceed \$1 million if the case goes to trial (assuming a three month trial).

3. Mr. Flores notes that the \$575,020 in costs identified above is only for litigation activities conducted from July, 1996 through December, 1996. Mr. Flores notes that these costs do not include costs of litigation beyond the end of 1996, and that a trial is not expected until mid-1997, at the earliest. As previously noted, the City Attorney's Office estimates that total litigation costs are estimated to exceed \$1 million, if the case goes to trial. Therefore, the City Attorney's Office may request up to \$250,000 or more in additional supplemental appropriations in the future.

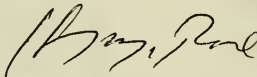
4. The four attorneys shown above under City Attorney's Office costs are full time employees of the City Attorney's Office. The total of 2,444 hours of work for these employees is part of their regular full-time employment in the City Attorney's Office, and therefore the costs for these attorneys are already included in the FY 1996-97 budget. As a result, the \$293,020 in City Attorney fees, based on estimated hours and hourly rates per attorney, that is included in the litigation budget shown above, should not be included in any future supplemental appropriation request, as it does not represent additional costs to the City Attorney's Office. Therefore, the litigation costs for the remainder of 1996 of \$575,020 would be \$293,020 less, or \$282,000.

5. The original supplemental appropriation of the \$152,768 approved by the Board of Supervisors was for outside consultants to be hired by the City Attorney's Office in connection with the New Sheriff's Facility litigation. At the time of the appropriation, no consultants had been selected, and the funds were reserved pending selection of the consultants, the MBE/WBE status, and contract cost details. At this time, the City Attorney's Office has hired three of the six consultants: Barba Arkhon (Scheduling), Tucker Alan (Financial Audit), and Larry Wolff (Electrical Systems). These consultants are not MBE/WBEs. Mr. Flores reports that these consultants were selected on a sole source basis. The City Attorney's Office is negotiating lump sum contracts (rather than contracts based on hourly rates) for these three consultants.

6. As noted above, the City Attorney's Office has not yet selected the other three consultants, for contracts estimated at approximately \$115,000. Therefore, this \$115,000 should

not be released for these contracts. However, the City Attorney's Office has identified litigation costs totalling \$282,000 (\$575,020 less \$293,020 in City Attorney staff attorney costs, as noted in Comment #4), including some costs that were not included in the original appropriation. Therefore, \$167,000 of the costs shown above are eligible costs for this proposed release of reserved funds (\$282,000 less \$115,000 in unassigned contracts), which includes the City Attorney costs for copying and other discovery-related costs, and the three contracts for which the contractors are already selected. Mr. Flores notes that, unless some funds are recovered from the City Attorney's prosecution of the project architect, the City Attorney's Office will need to submit an additional supplemental appropriation request to cover this \$115,000 in contracts and further litigation costs. Since the \$167,000 amount exceeds the \$152,768 in reserve, we recommend approval of the requested release of reserved funds.

Recommendation: Approve the proposed release of reserves.



Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Kaufman
Supervisor Bierman
President Shelley
Supervisor Alioto
Supervisor Ammiano
Supervisor Brown
Supervisor Katz
Supervisor Leal
Supervisor Teng
Supervisor Yaki
Clerk of the Board
Controller
Margaret Kisliuk
Paul Horcher
Ted Lakey

REGULAR MEETING
 BUDGET COMMITTEE
 BOARD OF SUPERVISORS
 CITY AND COUNTY OF SAN FRANCISCO

AUG 27 1996
 SAN FRANCISCO
 PUBLIC LIBRARY

WEDNESDAY, JULY 24, 1996 - 1:00 P.M.

VETERANS BUILDING
 401 VAN NESS AVENUE
 ROOM 410

MEMBERS: SUPERVISORS TOM HSIEH, BARBARA KAUFMAN, SUE BIERMAN
 ABSENT: SUPERVISOR BARBARA KAUFMAN

ACTING CLERK: BARBARA STAVRO-TAYLOR

TIME MEETING CONVENED: 1:07 P.M.

1. File 203-96-1. [Quitclaim Deed, Excelsior Youth Center] Ordinance authorizing and directing execution of a quitclaim deed from the City and County of San Francisco to the San Francisco Unified School District, a political subdivision of the State of California, for the San Francisco Community School site, and adopting findings pursuant to City Planning Code Section 101.1. (Supervisors Shelley, Alioto)

SPEAKER: John Barber, Mayor's Office

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO CALL OF THE CHAIR.

2. File 64-96-14. [Lease of Real Property] Resolution authorizing the City, as tenant, to enter into a lease with the San Francisco Unified School District, as landlord, for the lease of a portion of the San Francisco Community School play yard for the construction and operation of a youth center, which lease includes indemnities given by the City. (Supervisors Shelley, Alioto)

SPEAKER: John Barber, Mayor's Office

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO CALL OF THE CHAIR.

3. File 97-96-40. [Department of Human Services Membership] Ordinance amending Administrative Code Section 16.6-11 relating to Department of Human Services membership in the Child Welfare League of America. (Department of Human Services)

SPEAKER: Harvey Rose, Budget Analyst

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. (New title: "Amending Administrative Code Section 16.6-11 relating to Department of Human Services Membership adding Child Welfare League of America, and deleting California Conference of Social Welfare, and National Conference of Social Work.")

4. File 30-95-11.2. [Patient Rates] Resolution fixing patient rates for services furnished by City and County health care institutions; authorizing retroactively the effective date of July 1, 1996; and rescinding Resolution No. 620-95. (Department of Public Health)

SPEAKER: Harvey Rose, Budget Analyst

ACTION: HEARING HELD. AMENDMENT OF THE WHOLE PRESENTED IN COMMITTEE ADOPTED. RECOMMENDED AS AMENDED. (New title: "Ordinance amending Part II, Chapter V, of the San Francisco Municipal Code (Health Code) by adding Section 128 to fix patient rates for services furnished by City and County institutions, effective retroactively to July 1, 1996, and rescinding Resolution No. 620-95.")

5. File 101-94-42.2. [Reserved Funds, Department of Public Works] Hearing to consider release of reserved funds, Department of Public Works (1990 Earthquake Safety Bond Proceeds), in the amount \$1,682,974 for the purpose of funding the Zoo Wet Weather Lift Station construction contract. (Department of Public Works)

SPEAKER: Harvey Rose, Budget Analyst

ACTION: HEARING HELD. RELEASE OF \$1,682,974 APPROVED. FILED.

6. File 101-94-18.2. [Reserved Funds, Sheriff Department] Hearing to consider release of reserved funds, Sheriff Department, from the General Fund Reserve, in the amount of \$152,768 to fund the City Attorney (for consultant expenses related to the New Sheriff's Facility litigation). (City Attorney)
(Continued from 7/17/96)

SPEAKER: Harvey Rose, Budget Analyst

ACTION: HEARING HELD. RELEASE OF \$152,768 APPROVED. FILED.

VOTE: 2-0 ON ALL ITEMS..

CLOSED SESSION

The Budget Committee of the Board of Supervisors met in closed session under the provisions of Government Code Section 54956.9(a) to discuss the status of the following lawsuit: Stolte v. San Francisco, S.F. Superior Court No. 976-083, which is related to Item No. 6.

The Budget Committee of the Board of Supervisors finds that it is in the best interests of the City not to disclose any information revealed in its closed session deliberations related to Item No. 6 at this time, and moves not to disclose any information at this time.

TIME MEETING ADJOURNED: 1:56 P.M.

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CITY AND COUNTY



OF SAN FRANCISCO

DOCUMENTS DEPT.

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file 20-96-1-2
BOARD OF SUPERVISORS

JUL 23 1996

BUDGET ANALYST

SAN FRANCISCO
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1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

July 19, 1996

TO: Budget Committee
FROM: Budget Analyst
SUBJECT: July 24, 1996 Budget Committee Meeting

Items 1 and 2 - Files 203-96-1 and 64-96-14

Department: Real Estate
Mayor's Office of Community Development

Items: File 203-96-1: Ordinance authorizing and directing execution of a quitclaim deed from the City and County of San Francisco to the San Francisco Unified School District, a political subdivision of the State of California, for the San Francisco Community School site, and adopting findings pursuant to City Planning Code Section 101.1.

File 64-96-14: Resolution authorizing the City, as tenant, to enter into a lease with the San Francisco Unified School District, as landlord, for the lease of a portion of the San Francisco Community School play yard for the construction and operation of a youth center, which lease includes indemnities given by the City.

Location: Portion of the play yard of the San Francisco Community School, 125 Excelsior Street.

Purpose of Lease: Construction and operation of the Excelsior Youth Center.

Lessor: San Francisco Unified School District (SFUSD)

Lessee: City and County of San Francisco

Area: Approximately 15,729 square feet, to be used for construction of a three-story, 20,000 square foot building.

Annual Cost: \$1 payable by the City and County of San Francisco to the SFUSD

Term of Lease: December 1, 1996 to November 30, 2046 (50 years), with an option to extend for another 49 years.

Utilities and Janitorial Service: Provided by the City.

Description: In June of 1996, the Board of Supervisors approved an amendment to the 1996 Community Development Block Grant (CDBG) program, providing \$2 million for design and pre-construction costs for a Youth Center in the City's Excelsior District (File 79-95-6.1). The Excelsior Youth Center project involves construction of a new, three-story, 20,000 square foot building at 125 Excelsior Street. The Center will provide facilities for basketball and other gym sports, computer learning, counseling, a recording studio, library/study hall, and other facilities for youth and young adults between the ages of 5 and 22. (See Comment No. 3 for construction financing details.)

The land at 125 Excelsior Street is part of an existing playground for the San Francisco Community School, a public elementary school. The proposed resolution (File 64-96-14) would authorize a long term (50 years, with a 49 year option to renew) lease of this property by the City and County of San Francisco as lessee from the SFUSD as lessor, at a nominal rental cost of \$1 per year payable by the City.

The proposed ordinance (File 203-96-1) is a companion measure to the proposed lease (File 64-96-14), authorizing a quitclaim deed from the City to the SFUSD for the subject property. According to Mr. Robert Haslam of the Department of Real Estate (DRE), when the site for the San Francisco Community School was purchased in 1905, the SFUSD was a department of the City and County, so purchase of this school site was made by the City and County for the SFUSD. However, Mr. Haslam states that the City and County holds title to the property only as a passive trustee, without any power or control in the management of the property. Such authority is entirely vested in the Board of Education, according to Mr. Haslam. Therefore Mr. Haslam advises that

BOARD OF SUPERVISORS
BUDGET COMMITTEE

approval of the quitclaim will not in any way change the City's ownership rights to the property, which are nonexistent. Mr. Haslam states that the proposed quitclaim will clarify that the SFUSD holds title to the property, and can therefore lease it to the City.

Comments:

1. On May 21, 1996 the Board of Education authorized the Superintendent of Schools to enter into the proposed lease.

2. The Planning Department has issued a letter, included as an attachment to this report, which states that the proposed lease and quitclaim are in conformity with the Master Plan and the Eight Priority Policies of Planning Code Section 101.1. The findings of the Planning Department would be incorporated by reference to the proposed ordinance authorizing the quitclaim (File 203-96-1).

3. Mr. John Barber of the Mayor's Office of Community Development (MOCD) states that the total costs, including construction costs, for the Excelsior Youth Center Project are estimated to be approximately \$7 million, or \$5 million more than has been appropriated in 1996 CDBG funds. Mr. Barber advises that possible funding sources for the remaining \$5 million in project costs include foundation and corporate donations, and/or federal discretionary funds. He states that the MOCD will not request General Fund support for this project.

4. Mr. Barber states that the MOCD will issue a Request for Proposal (RFP) to obtain an operator for the Excelsior Youth Center, once construction is underway. Mr. Barber advises that the MOCD plans to sublease the property to the selected operator. Such sublease is authorized under the terms of the proposed lease. The City would be required to obtain the written consent of the SFUSD to any sublease and/or operating agreement, but the proposed lease states that such consent shall not be unreasonably withheld.

Mr. Barber states that the MOCD may request CDBG funds to support start-up costs for the operator at a later date, but he advises that the operator will be expected to obtain independent operating revenues to fully cover ongoing program costs.

5. The proposed lease states that, prior to start of construction, the City and the SFUSD will enter into a Memorandum of Understanding (MOU) regarding (1) scheduling and staging of construction, (2) agreements regarding the shared use of the school and the youth center; (3) security for the elementary school and the youth center;

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BUDGET COMMITTEE

and (4) reports to be provided by the City to the SFUSD regarding the use and occupancy of the planned youth center. Mr. Barber advises that, because the MOU would exclusively cover issues related to implementation of the proposed lease, the MOCD would negotiate and approve the MOU administratively and therefore the MOU would not be subject to separate legislative approval by the Board of Supervisors.

6. Mr. Barber states that the Excelsior Youth Center project would occupy approximately one-third of the current play yard of the San Francisco Community School. However, Mr. Barber advises that the MOCD plans to permit the elementary school to utilize the planned gymnasium during school hours.

7. The proposed lease (File 64-96-14) would indemnify the SFUSD for any losses incurred as a result of the construction work, the City's use of the property, or the City's default or negligent acts regarding the subject premises, unless such losses are related to active negligence or willful misconduct on the part of the SFUSD. In turn, the SFUSD would indemnify the City for any losses arising from default or negligence on the part of the SFUSD.

8. The proposed lease (File 64-96-14) would give the SFUSD the right to approve design plans and specifications for the Excelsior Youth Center. The SFUSD would have 30 days to review such plans and specifications in terms of their compatibility with the lease, general appearance and compatibility with the elementary school.

9. All improvements to the subject property (i.e., the proposed Excelsior Youth Center) would be the property of the City during the term of the lease. When the lease expires, title to the improvements would revert to the SFUSD. As stated above, the term of the proposed lease is 50 years, with an option to renew for 49 years, or a total term of 99 years.

Recommendation: Approval of the proposed ordinance (File 203-96-1) and resolution (File 64-96-14) is a policy decision for the Board of Supervisors. If the Board of Supervisors wishes to approve the MOU between the City and the SFUSD which is to be entered into prior to the start of construction, then the proposed resolution (File 64-96-14) should be amended to make the MOU subject to such approval.



PLANNING DEPARTMENT

City and County of San Francisco 1660 Mission Street San Francisco, CA 94103-2414

(415) 558-6378

PLANNING COMMISSION
FAX 558-6409

ADMINISTRATION
FAX 558-6426

CURRENT PLANNING/ZONING
FAX 558-6409

LONG RANGE PLANNING
FAX 558-6426

Mr. John Barber
Mayor's Office of Community Development
25 Van Ness Avenue Suite 700
San Francisco, CA 94102

June 19, 1996

Re: 96.210R Transfer of a portion of AB 6012, lot 5;
(163-167 London Street) from the CCSF to the S.F. Unified
School District; lease of a portion of the property from the
Unified School District to the CCSF.

Pursuant to Section 3.527 of the Charter, the subject referral was received from the Mayor's Office on May 6, 1996, and the following report is submitted:

The proposed project is the transfer of the property (Assessor's Block 6012, lot 5) from the City and County of San Francisco to the Unified School District, and the lease of a portion of the property from the Unified School District to the City and County of San Francisco.

The project is in conformity with the Master Plan, as described in the attached case report.

The project received environmental review in a Negative Declaration prepared by the San Francisco Unified School District, which was adopted on May 28, 1996.

The project has been reviewed for consistency with the Eight Priority Policies of Planning Code Section 101.1 and the findings are included in the attached case report.

Sincerely,

Amit K. Ghosh
Director of Planning

Attachments:

96.210R Case Report, and
Planning Code Section 101.1 findings

cc: John Taylor, Clerk of the Board
Leslie Trutner, City Attorney

Item 3 - File 97-96-40

Department: Department of Human Services (DHS)

Item: Ordinance amending Section 16.6-11 of the Administrative Code to reflect the change in the Department's name from the Department of Social Services to the Department of Human Services, and to add one organization to the membership list of the Department of Human Services.

Amount: \$3,200

Source of Funds: Federal and State funding of 65 percent, or \$2,080, and local funding of 35 percent, or \$1,120. The total cost of the membership fee is included in the Department's FY1996-97 budget.

Description: The proposed ordinance would amend Section 16.6-11 to reflect the change in the Department's name from the Department of Social Services to the Department of Human Services in conformance with the new Charter. The proposed ordinance would also amend Section 16.6-11 to add one organization to the Department of Human Services' membership list.

The body of the legislation states to delete two organizations from the membership list of the Department of Human Services. As such, the title of the legislation should be amended to reflect the deletion of two organizations from the membership list of the Department of Human Services, including the California Conference of Social Welfare and the National Conference of Social Work.

The proposed ordinance would authorize the Department of Human Services to join the Child Welfare League of America for an annual membership fee of \$3,200, and delete the California Conference of Social Welfare and the National Conference of Social Work from the Department's membership list. Ms. Sally Kipper of the Department of Human Services reports that the Department has not been an active member of the California Conference of Social Welfare or the National Conference of Social Work and has not paid membership fees to either organization for approximately 8 years.

Comments: 1. The headquarters of the Child Welfare League of America organization is located in Washington, D.C. The purpose of the organization is to lobby and advocate for child welfare issues on a national level, as well as to provide child welfare

BOARD OF SUPERVISORS
BUDGET ANALYST

consulting services to local jurisdictions, according to Ms. Kipper. Attached is a list of other California counties that are members of the Child Welfare League of America and the annual dues that these counties pay.

2. Mr. David Leederman of the Child Welfare League of America advises that consulting services are provided to counties at an additional cost of either a daily rate of \$1,000 or a negotiated flat rate, depending on the specific needs of a county. Mr. Leederman reports that members of the Child Welfare League of America receive a 10 percent discount for consulting services.

3. According to Ms. Kipper, as a member of the Child Welfare League of America, the Department would be able to actively participate in the formation of national child welfare policy, which directly affects local jurisdictions both programmatically and fiscally. Ms. Kipper advises that membership in this organization would provide the Department concentrated influence in the formation of national child welfare policy, in addition to the efforts of San Francisco's federal lobbyist whose function is to track and lobby for legislation that directly affects San Francisco.

4. The total amount budgeted for the Department's membership fees for FY1996-97 is \$16,187, including \$3,200 for the requested new membership. According to Ms. Kipper, the \$1,618 includes membership fees for only two of the four organizations that would be contained in the Department's membership list, including the subject Child Welfare League of America (\$3,200) and the County Welfare Directors Association of California (\$12,987).

Ms. Kipper advises that membership fees for the other two member organizations, the American Public Welfare Association (\$4,000) and the San Francisco Chamber of Commerce (\$250), are not included in the Department's FY1996-97 budget. According to Ms Kipper, the total cost of these two membership fees (\$4,250) will be absorbed by the Department's budgeted funds so that a supplemental appropriation request will not be necessary.

- Recommendation:**
1. Amend the title of the legislation to reflect the deletion of two organizations from the membership list of the Department of Human Services, including the California Conference of Social Welfare and the National Conference of Social Work.
 2. Approve the proposed ordinance as amended.

BOARD OF SUPERVISORS
BUDGET ANALYST

ATTACHMENT

Current Members of the Child Welfare League of America

<u>California Counties</u>	<u>Membership Fee</u>
Contra Costa	\$3,200
Humboldt	3,200
Los Angeles	3,200
Orange	3,200
Riverside	3,200
Sacramento	3,200
San Bernadino	3,200
San Diego	3,200
San Mateo	3,200
Santa Barbara	3,200
Santa Cruz	3,200
Sonoma	3,200
Stanislaus	3,200

Item 4 - File 30-95-11.2

Department: Department of Public Health(DPH)

Note: An Amendment of the Whole to change the proposed legislation from a resolution to an ordinance will be introduced at the Budget Committee meeting on July 24, 1996. This report reflects the Amendment of the Whole.

Item: Ordinance fixing the patient rates for services furnished by City and County health care institutions, authorizing the effective date of these patient rates retroactive to July 1, 1996, and rescinding Resolution No. 620-95.

Description: Pursuant to Charter Section 2.109, the proposed ordinance would fix patient day rates for FY 1996-97 for services provided by City and County health institutions and health care facilities and would rescind Resolution No. 620-95 (File 30-95-11), which established the prior rate schedule for FY 1995-96. The proposed rates apply only to private payors (patients who pay their own medical bills) and third party payors (private insurance companies). Medi-Cal, Medicare and other State and Federal subventions are excluded from this rate structure.

The attached tables provide the current and proposed patient day rates for services provided by San Francisco General Hospital (SFGH), Laguna Honda Hospital (LHH), Community Mental Health Services (CMHS), Community Substance Abuse Services (CSAS) and Community Public Health Services (CPHS). The DPH reports that the proposed fee structure is based on a variety of factors including (1) generally prevailing rates charged by medical facilities in the Bay Area for similar inpatient and outpatient services, (2) reimbursement analysis and (3) the Bay Area Consumer Price Index.

Comments: 1. The DPH receives approximately 6 percent of its total revenues from private individuals or third party payors. The DPH's proposed FY 1996-97 budget includes approximately \$38,000,000 in patient revenues and third party payor revenues or \$100,000, more than the approximately \$37,900,000 in revenues included in the DPH's 1995-96 budget. The \$38,000,000 included in the DPH FY 1996-97 budget for private payors and third party payors is based on the proposed patient day rates for FY 1996-97.

2. The schedule of rates for laboratory services and certain other hospital services are not shown in the proposed

resolution because SFGH and LHH have hundreds of prices for various lab and special services. The rates for these services are charged from a special price list and may change during the fiscal year based on cost accounting studies at the hospitals.

3. Rates for dental services provided under CPHS have been added to the rate schedule. DPH reports that rates for this service component are being set for the first time. Previously, a \$5 flat fee was charged per each dental visit but was not included in the rate schedule.

4. New rates for a new Home Health Services program under CPHS have been added to the patient day rate schedule as follows: (1) skilled nursing, at \$147 per visit, (2) home health aide services, at \$79 per visit, (3) medical social services, at \$203 per visit, (4) physical therapy, at \$141 per visit, (5) occupational therapy, at \$141 per visit and (6) speech therapy, at \$145 per visit.

5. Additionally, rates for new individual service components under SFGH, CMHS and CPHS have been added to the patient day rate schedule as follows: (1) skilled nursing services provided at SFGH and CMHS, at \$415 per day, (2) crisis stabilization services provided at CMHS, at \$80 per hour and (3) targeted case management services provided at SFGH and CPHS, at \$135 per visit.

6. Finally, the rate for crisis socialization services provided at CMHS has been reduced from \$350 per 4 hours or \$87.50 per hour to \$50 per hour for a 42.9 percent reduction per hour. Crisis socialization involves placing clients, who are undergoing a crisis, in a setting where they can interact with mental health staff and/or peers to assist them in alleviating the crisis. The DPH advises that this reduction is based on an evaluation of costs and reimbursement rates for these services and that the decrease in rates will bring the fee charged for these services in line with usual and customary reimbursements for such services.

Recommendation: Approve the proposed ordinance.

attn: Public Library

<u>TYPE OF SERVICE</u>	<u>UNIT</u>	<u>CURRENT RATE</u>	<u>PROPOSED RATE</u>	<u>PERCENT CHANGE</u>
<u>San Francisco General Hospital</u>				
Ambulance Service				
Advance Life Support	Response	568	568	0.0%
Basic Life Call	Response	315	315	0.0%
Per Mile	Mile	12	12	0.0%
Night Call	Call	68	68	0.0%
Oxygen	Unit	57	57	0.0%
Non-Transport	Unit	74	74	0.0%
In-Patient Care				
Medical Surgical	Day	962	962	0.0%
Intensive Care	Day	2,275	2,275	0.0%
Coronary Care	Day	2,165	2,165	0.0%
Chest-Pulmonary	Day	2,202	2,202	0.0%
Stepdown Units	Day	1,484	1,484	0.0%
Pediatrics	Day	962	962	0.0%
Obstetrics	Day	962	962	0.0%
Nursery	Day			
Well Baby	Day	584	584	0.0%
Observation	Day	962	962	0.0%
Semi-Intensive Care	Day	1,321	1,321	0.0%
Intensive Care	Day	1,908	1,908	0.0%
Labor/Delivery - 6G	Day	998	962	-3.6%
Labor/Delivery Hours of Stay	Day	55	55	0.0%
Psychiatric Inpatient	Day	998	998	0.0%
Psychiatric Forensic Inpatient - 7L	Day	998	998	0.0%
AIDS Unit 5-A	Day	962	962	0.0%
Security Unit - 7D	Day	962	962	0.0%
Skilled Nursing Facility	Day	n/a	415	n/a
Surgical Services				
Minor Surgery Pre-Op Holding Room	Room	124	124	0.0%
Minor Surgery I (Come & Go)	1/4 Hour	177	177	0.0%
	1/2 Hour	352	352	0.0%
	3/4 Hour	529	529	0.0%
	Full 1 Hour	704	704	0.0%

<u>TYPE OF SERVICE</u>	<u>UNIT</u>	<u>CURRENT RATE</u>	<u>PROPOSED RATE</u>	<u>PERCENT CHANGE</u>
	Ea. Add'l 1/4 Hr.	177	177	0.0%
Minor Surgery II	1st Hour	763	763	0.0%
	Ea. Add'l 1/4 Hr.	381	381	0.0%
Major Surgery Pre-Op Holding	Room	124	124	0.0%
Major Surgery I	1st Hour	1,138	1,138	0.0%
	Add'l 1/2 Hour	397	397	0.0%
Major Surgery II	1st Hour	1,284	1,284	0.0%
	Add'l 1/2 Hour	410	410	0.0%
Major Surgery III	1st Hour	1,430	1,430	0.0%
	Add'l 1/2 Hour	529	529	0.0%
Extraordinary Surgery	1st Hour	1,614	1,614	0.0%
	Add'l 1/2 Hour	587	587	0.0%
Surgery (2 Teams)	Procedure	2,236	2,236	0.0%
	Add'l 1/2 Hour	751	751	0.0%
Surgery (3 Teams)	Procedure	2,900	2,900	0.0%
	Add'l 1/2 Hour	976	976	0.0%
Recovery Room	1st Hour	440	440	0.0%
	2nd Add'l Hour	105	105	0.0%
	3rd Add'l Hour	66	66	0.0%
Anesthesia	First 1/2 Hour	349	349	0.0%
	Add'l Minute	11	11	0.0%
Argon Laser Treatment	Procedure	1,154	1,154	0.0%
Therapeutic Abortion	Procedure	190	190	0.0%
Emergency Clinic				
Level I	Room	70	70	0.0%
Level II	Room	95	95	0.0%
Level III	Room	120	120	0.0%
Level IV	Room	222	222	0.0%
Level V	Room	507	507	0.0%
Level VI	Room	1,204	1,204	0.0%
Non-Critical Observation	0-2 Hours	70	70	0.0%
	2-4 Hours	203	203	0.0%
	4-6 Hours	349	349	0.0%
Critical Observation	0-2 Hours	203	203	0.0%
	2-4 Hours	406	406	0.0%
	4-6 Hours	602	602	0.0%

<u>TYPE OF SERVICE</u>	<u>UNIT</u>	<u>CURRENT RATE</u>	<u>PROPOSED RATE</u>	<u>PERCENT CHANGE</u>
Resuscitation		1,204	1,204	0.0%
General Clinic				
Initial				
Brief Exam	Visit	67	67	0.0%
Initial Intermediate	Visit	113	113	0.0%
Initial Comprehensive	Visit	235	235	0.0%
Targeted Case Management	Visit	n/a	135	n/a
Established Patient				
Brief Exam	Visit	44	44	0.0%
Initial Intermediate	Visit	67	67	0.0%
Initial Comprehensive	Visit	158	158	0.0%
Use of Exam Room	Room	32	32	0.0%
<u>Laguna Honda Hospital</u>				
Regular Hospital Rates				
Acute	Day	875	875	0.0%
Rehabilitation	Day	875	875	0.0%
Skilled Nursing Facility	Day	250	250	0.0%
All Inclusive Rates				
Acute	Per Diem	1,100	1,100	0.0%
Rehabilitation	Per Diem	1,100	1,100	0.0%
Skilled Nursing Facility	Day	290	290	0.0%

<u>TYPE OF SERVICE</u>	<u>UNIT</u>	<u>CURRENT RATE</u>	<u>PROPOSED RATE</u>	<u>PERCENT CHANGE</u>
<u>Community Mental Health Services</u>				
24-Hour Service				
Inpatient	24 Hours	850	850	0.0%
Skilled Nursing	24 Hours	n/a	415	n/a
Crisis Residential	24 Hours	250	250	0.0%
Residential	24 Hours	125	125	0.0%
Day Services				
Rehabilitation	Full Day	110	110	0.0%
Intensive	Full Day	190	190	0.0%
Intensive (children)	Half Day	200	200	0.0%
Crisis Socialization	Hour	87.50	50	-42.9%
Crisis Stabilization	Hour	n/a	80	n/a
Outpatient Services				
Case Management Brokerage	Hour	100	100	0.0%
Mental Health Services	Hour	150	150	0.0%
Medication Support	Half Hour	120	120	0.0%
Crisis Intervention	Hour	375	375	0.0%
<u>Community Substance Abuse</u>				
Residential - Detoxification	24 Hours	70	70	0.0%
Residential	24 Hours	81	81	0.0%
Recovery Home	24 Hours	70	70	0.0%
Therapeutic Community	24 Hours	70	70	0.0%
Outpatient (Include Detox)	Per Contract	108	108	0.0%
Methadone Treatment	Hour	26	26	0.0%
Naltrexone Treatment	Per Contract	45	45	0.0%
Prevention/Intervention	Hour	25	25	0.0%
Day Care - Habilitative	Per Contract	108	108	0.0%

<u>TYPE OF SERVICE</u>	<u>UNIT</u>	<u>CURRENT RATE</u>	<u>PROPOSED RATE</u>	<u>PERCENT CHANGE</u>
<u>Public Health</u>				
Primary Care				
Initial				
Comprehensive Exam	Visit	175	175	0.0%
Extended Exam	Visit	125	125	0.0%
Intermediate Exam	Visit	95	95	0.0%
Limited Exam	Visit	65	65	0.0%
Targeted Case Management	Visit	n/a	135	n/a
Established Patient				
Comprehensive Exam	Visit	125	150	20.0%
Extended Exam	Visit	75	75	0.0%
Intermediate Exam	Visit	50	50	0.0%
Limited Exam	Visit	35	35	0.0%
Dental Services				
Initial Complete Exam	Visit	n/a	35	n/a
Periodic Exam	Visit	n/a	35	n/a
Prophylaxis - Adult	Visit	n/a	50	n/a
Prophylaxis - Child	Visit	n/a	45	n/a
Extract Single Tooth	Visit	n/a	70	n/a
One Surface, Permanent Tooth	Visit	n/a	65	n/a
Home Health Services				
Skilled Nursing	Visit	n/a	147	n/a
Home Health Aide Services	Visit	n/a	79	n/a
Medical Social Services	Visit	n/a	203	n/a
Physical Therapy	Visit	n/a	141	n/a
Occupational Therapy	Visit	n/a	141	n/a
Speech Therapy	Visit	n/a	145	n/a

<u>TYPE OF SERVICE</u>	<u>UNIT</u>	<u>CURRENT RATE</u>	<u>PROPOSED RATE</u>	<u>PERCENT CHANGE</u>
<u>San Francisco General Hospital</u>				
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Non-Transport	Unit	74	74	0.0%
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Medical Surgical	Day	962	962	0.0%
Intensive Care	Day	2,275	2,275	0.0%
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Nursery	Day			
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Security Unit - 7D	Day	962	962	0.0%
Skilled Nursing Facility	Day	n/a	415	n/a
Surgical Services				
Minor Surgery Pre-Op Holding Room	Room	124	124	0.0%
Minor Surgery I (Come & Go)	1/4 Hour	177	177	0.0%
	1/2 Hour	352	352	0.0%
	3/4 Hour	529	529	0.0%
	Full 1 Hour	704	704	0.0%

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Extraordinary Surgery	1st Hour	1,614	1,614	0.0%
	Add'l 1/2 Hour	587	587	0.0%
Surgery (2 Teams)	Procedure	2,236	2,236	0.0%
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Surgery (3 Teams)	Procedure	2,900	2,900	0.0%
	Add'l 1/2 Hour	976	976	0.0%
Recovery Room	1st Hour	440	440	0.0%
	2nd Add'l Hour	105	105	0.0%
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Anesthesia	First 1/2 Hour	349	349	0.0%
	Add'l Minute	11	11	0.0%
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Level I	Room	70	70	0.0%
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Level VI	Room	1,204	1,204	0.0%
Non-Critical Observation	0-2 Hours	70	70	0.0%
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Critical Observation	0-2 Hours	203	203	0.0%
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<u>TYPE OF SERVICE</u>	<u>UNIT</u>	<u>CURRENT RATE</u>	<u>PROPOSED RATE</u>	<u>PERCENT CHANGE</u>
Resuscitation		1,204	1,204	0.0%
General Clinic				
Initial				
Brief Exam	Visit	67	67	0.0%
Initial Intermediate	Visit	113	113	0.0%
Initial Comprehensive	Visit	235	235	0.0%
Targeted Case Management	Visit	n/a	135	n/a
Established Patient				
Brief Exam	Visit	44	44	0.0%
Initial Intermediate	Visit	67	67	0.0%
Initial Comprehensive	Visit	158	158	0.0%
Use of Exam Room	Room	32	32	0.0%

Laguna Honda Hospital

Regular Hospital Rates				
Acute	Day	875	875	0.0%
Rehabilitation	Day	875	875	0.0%
Skilled Nursing Facility	Day	250	250	0.0%
All Inclusive Rates				
Acute	Per Diem	1,100	1,100	0.0%
Rehabilitation	Per Diem	1,100	1,100	0.0%
Skilled Nursing Facility	Day	290	290	0.0%

<u>TYPE OF SERVICE</u>	<u>UNIT</u>	<u>CURRENT RATE</u>	<u>PROPOSED RATE</u>	<u>PERCENT CHANGE</u>
<u>Community Mental Health Services</u>				
24-Hour Service				
Inpatient	24 Hours	850	850	0.0%
Skilled Nursing	24 Hours	n/a	415	n/a
Crisis Residential	24 Hours	250	250	0.0%
Residential	24 Hours	125	125	0.0%
Day Services				
Rehabilitation	Full Day	110	110	0.0%
Intensive	Full Day	190	190	0.0%
Intensive (children)	Half Day	200	200	0.0%
Crisis Socialization	Hour	87.50	50	-42.9%
Crisis Stabilization	Hour	n/a	80	n/a
Outpatient SERVICES				
Case Management Brokerage	Hour	100	100	0.0%
Mental Health Services	Hour	150	150	0.0%
Medication Support	Half Hour	120	120	0.0%
Crisis Intervention	Hour	375	375	0.0%
<u>Community Substance Abuse</u>				
Residential - Detoxification	24 Hours	70	70	0.0%
Residential	24 Hours	81	81	0.0%
Recovery Home	24 Hours	70	70	0.0%
Therapeutic Community	24 Hours	70	70	0.0%
Outpatient (Include Detox)	Per Contract	108	108	0.0%
Methadone Treatment	Hour	26	26	0.0%
Naltrexone Treatment	Per Contract	45	45	0.0%
Prevention/Intervention	Hour	25	25	0.0%
Day Care - Rehabilitative	Per Contract	108	108	0.0%

<u>TYPE OF SERVICE</u>	<u>UNIT</u>	<u>CURRENT RATE</u>	<u>PROPOSED RATE</u>	<u>PERCENT CHANGE</u>
<u>Public Health</u>				
Primary Care				
Initial				
Comprehensive Exam	Visit	175	175	0.0%
Extended Exam	Visit	125	125	0.0%
Intermediate Exam	Visit	95	95	0.0%
Limited Exam	Visit	65	65	0.0%
Targeted Case Management	Visit	n/a	135	n/a
Established Patient				
Comprehensive Exam	Visit	125	125	0.0%
Extended Exam	Visit	75	75	0.0%
Intermediate Exam	Visit	50	50	0.0%
Limited Exam	Visit	35	35	0.0%
Dental Services				
Initial Complete Exam	Visit	n/a	35	n/a
Periodic Exam	Visit	n/a	35	n/a
Prophylaxis - Adult	Visit	n/a	50	n/a
Prophylaxis - Child	Visit	n/a	45	n/a
Extract Single Tooth	Visit	n/a	70	n/a
One Surface, Permanent Tooth	Visit	n/a	65	n/a
Home Health Services				
Skilled Nursing	Visit	n/a	147	n/a
Home Health Aide Services	Visit	n/a	79	n/a
Medical Social Services	Visit	n/a	203	n/a
Physical Therapy	Visit	n/a	141	n/a
Occupational Therapy	Visit	n/a	141	n/a
Speech Therapy	Visit	n/a	145	n/a

Item 5 - File 101-94-42.2

Department: Department of Public Works (DPW)

Item: Release of reserved funds for the Department of Public Works (1990 Earthquake Safety Bond proceeds), in the amount of \$1,682,974 for the purpose of funding the Zoo Wet Weather Lift Station construction contract.

Amount: \$1,682,974

Source of Funds: 1990 Earthquake Safety Bonds

Description: The Board of Supervisors previously approved legislation (File 101-94-42) appropriating \$18,022,000 of 1990 Earthquake Safety Bonds for the City Hall Seismic Upgrade Project (\$9,022,000), the Zoo Subsurface Infrastructure Project (\$7,270,000), the Zoo Avian Conservation Center Project (\$1,250,000), and Salary and related Fringe Benefits for the Recreation and Park Department in connection with the two Zoo projects (\$480,000). At the same time, the Board of Supervisors placed a total of \$6,700,00 of reserve for the Zoo Subsurface Infrastructure Project (\$5,700,000) and the Zoo Avian Conservation Center Project (\$1,000,000) pending the selection of contractors, the submission of contract budget details and the MBE/WBE status of the contractors. The Board of Supervisors subsequently released the \$1,000,000 for the Zoo Avian Conservation Center Project in December of 1995, following submission of the required contract information.

DPW is requesting release of \$1,682,974 in Earthquake Safety Bond funds for construction contract services for the Zoo Subsurface Infrastructure Project, specifically the construction contract for the Zoo Wet Weather Lift Station. The Zoo Wet Weather Lift Station is a pump station to lift the flow of wastewater that collects on the Zoo grounds and pump the wastewater into the Westside Transport Box, from which it flows by gravity to the Oceanside Water Pollution Control Plant for treatment and discharge into the ocean. Ms. Karen Kubick of the DPW states that the Zoo Wet Weather Lift Station consists of 5 submersible pumps, which will be located below grade, adjacent to Sloat Avenue and the Great Highway, with an above grade control center. The Zoo Wet Weather Lift Station is the first construction project of the Zoo Subsurface Infrastructure Project. The overall Zoo Subsurface Infrastructure Project will provide for the replacement of the water, gas, electric and sewer systems at

the Zoo, which were damaged by the 1989 Loma Prieta earthquake.

The DPW has selected A. Ruiz Construction Company & Associates, Inc. to provide the necessary construction contract services for the Zoo Wet Weather Lift Station Project, based on a bid amount of \$2,486,130. A. Ruiz Construction Company is an MBE and LBE firm. According to the DPW, MBE firms (including the prime contractor and subcontractors) would receive \$1,326,846, or 53.4 percent, of the construction contract, and a WBE subcontractor would receive another 276,000, or 11.1 percent, of the construction contract. Non-MBE/WBE subcontractors would be allocated 35.5 percent of the construction contract.

As previously noted, the total amount of the construction contract is \$2,486,130, or \$803,156 more than the requested \$1,682,974. The DPW reports that the balance of \$803,156 will be paid for by previously appropriated bond proceeds.

Budget: Construction Contract \$2,486,130

Comment: A list of all firms which submitted bids for the Zoo Wet Weather Lift Station Project, the bid amounts and the MBE/WBE subcontractor participation, provided by the DPW, is attached to this report. As shown in the Attachment, a total of \$1,602,846 or 64.5 percent would be allocated to MBE/WBE firms.

Recommendation: Release the reserved funds in the amount of \$1,682,974.

SPECIFICATION #: 6100F

TITLE San Francisco Zoological Gardens
Wet Weather Lift Station

BIDS RECEIVED: 29-May-96

CONTRACT BASIS Lump Sum Bid Items with Some Unit Bid Items Basis

BIDDER(S):

A. Ruiz Construction Co. & Assoc. Inc.
Ramirez Engineering Corp.
Lin/Monterey Mechanical JV
Barnes/LTM, JV
CICO/Coast Geo JV
Miller/Thompson Constructors & Valentine Corp., JV

	Base Bid	Alternate 1	Alternate 2
MBE/LBE	\$2,408,130	\$63,000	No Bid
MBE/LBE	\$2,548,085	\$52,625	\$52,625
JV 10%	\$2,552,609	\$72,000	\$72,000
MBE/LBE/JV 10%	\$2,587,670	\$40,000	\$40,000
MBE/LBE/JV 10%	\$2,603,211	\$81,415	\$74,000
WBE/LBE	\$3,284,269	\$90,000	\$90,000

Average Bid: \$2,678,329 \$54,000
Engineer's Estimate: \$2,474,425 \$65,000
% Engineer's Estimate 108% 102% 104%

APPARENT LOW BIDDER A. Ruiz Construction Co. & Assoc. Inc.
1615 Corland Avenue
San Francisco, CA 94110
Tel. (415) 647-4010

SUBCONTRACTORS:

Ruck & Rose Landscaping
Viking Drilling
Bailey Fence
Esquivel Grading (MBE)
Maretich Mechanical
Pioneer Roofing (MBE)
P & K Trucking (MBE)
Sierra Electric (MBE)

Landscape
Dewatering
Fence
Earthwork, Concrete, Boring, Pipe Jack, Paving
Mechanical
Roof System
Trucking
Electrical

\$20,000
305,000
\$15,204
\$490,000
\$775,000
\$6,000
\$15,000
\$276,000

cc

Karen Kubick
Mark Primeau
Veronica Ng
Todd Cockburn
Nelson Wong
Mike Quan

Helen Lui
DPW Accounting
Don Eng
Bob Swanson
Foon Chow

The total amount of subcontractor participation is \$1,678,284, of which \$795,000 would be allocated to MBE/WBE firms. In addition, \$807,846 would be allocated to the prime contractor, an MBE firm.

Item 6 - File 101-94-18.2

Note: This item was continued by the Budget Committee at its meeting of July 17, 1996. This item will be considered by the Budget Committee in closed session at its meeting of July 24, 1996.

Department: City Attorney's Office
Sheriff's Department

Item: Release of \$152,768 in reserved funds for use by the City Attorney's Office in defense of the General Construction Contractor's claim against the City and in the prosecution of the City's claim against the Design Team regarding the Sheriff's New Jail Facility.

Amount: \$152,768

Source of Funds: General Fund Reserve

Description: In November, 1994 the Board of Supervisors approved a supplemental appropriation of \$152,768 for additional costs related to the Sheriff's New Jail Facility, located at Seventh and Bryant Streets (File 101-94-18.1). This appropriation was for the City Attorney's Office, for preparation of the City's planned claim against the project architect (Williams & Tanaka / Del Campo & Maru, a Joint Venture) and several subconsultants (referred to collectively as the "Design Team"), and the City's defense against the anticipated claim from the General Construction Contractor (Green International), including the hiring of consultants by the City Attorney's Office. The Board of Supervisors placed the entire \$152,768 on reserve, pending the selection of outside consultants, the MBE/WBE status of the consultants, and contract cost details.

At this time, the City Attorney's Office is requesting the release of this \$152,768 in reserved funds for continued defense by the City Attorney of the General Construction Contractor's claim against the City, and the continued prosecution of the City's case against the Design Team.

Budget: The City Attorney has identified costs totalling \$283,554 for litigation services associated with the City's defense against the claim from the General Construction Contractor and the City's prosecution of the Design Team, for July through December, 1996. These estimated costs are as follows:

City Attorney's Office Costs:

Copying costs, incurred but not paid yet	\$28,554	
Copying costs, July - December 1996	20,000	
Other Discovery-related costs	<u>15,000</u>	
Subtotal, City Attorney's Office Costs		<u>63,554</u>

Outside Consultant Costs

Consultants Already Selected:

Scheduling Consultant: Barba Arkhon	\$50,000	
Financial Audit: Tucker Alan	30,000	
Electrical Systems Consultant - Larry Wolff	<u>25,000</u>	
Subtotal, Consultants Already Selected		\$105,000

Consultants Not Yet Selected:

Security Systems Consultant	\$40,000	
Fire & Safety Systems Consultant	35,000	
Labor Efficiency Consultant	<u>40,000</u>	
Subtotal, Consultants Not Yet Selected		<u>115,000</u>

Subtotal, Outside Consultants	<u>\$220,000</u>
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TOTAL ESTIMATED COSTS	<u>\$283,554</u>
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Comments:

1. A supplemental appropriation of \$187,232 was previously approved by the Board of Supervisors for litigation costs and City Attorney fees (File 101-94-18) in addition to the \$152,768 that is the subject of this request for release of reserved funds. Mr. Anthony Flores, Deputy City Attorney, reports that to date, the City Attorney's Office has expended \$146,165 of the \$187,232 in previously appropriated funds on litigation related to the Sheriff's New Jail Facility, leaving a balance of \$41,067. According to Mr. Flores, 'litigation costs' typically refer to all costs associated with a legal claim except attorney fees.

2. In addition to the litigation costs described above, there are significant costs associated with legal services provided by City Attorney staff. According to Ms. Martie Moore of the City Attorney's Office, approximately \$525,060 in City Attorney services has been provided by City Attorney staff to date, \$41,067 of which will be paid with the balance of the previous appropriation described in Comment #1. Mr. Flores estimates that the cost of City Attorney services for the balance of calendar year 1996 will be approximately an additional \$293,020.

3. The total costs to defend the City against the claim by the General Construction Contractor and the costs to prosecute the case against the project architect include both the

BOARD OF SUPERVISORS
BUDGET ANALYST

litigation costs and the cost of City Attorney staff services. Therefore, approximately \$671,225 has been expended to date (\$146,165 in litigation expenses plus \$525,060 in City Attorney services). Mr. Flores estimates that an additional \$293,020 in City Attorney services will be required in order to continue the City's defense against the General Construction Contractor and its prosecution of the case against the Design Team, in addition to the \$283,554 in litigation costs shown in the budget above, for a total of \$576,574 in additional costs through the end of calendar year 1996.

4. Therefore, total expenditures through the end of calendar 1996 are estimated to be approximately \$1,247,799 (\$671,225 expended to date, plus \$283,554 in litigation costs identified in the budget shown above, plus \$293,020 in City Attorney services through the end of calendar 1996). Mr. Flores further estimates that, if this case goes to trial, litigation costs incurred in 1997 could be significantly higher. The City Attorney's Office indicates that "further appropriations may be necessary" if this matter is not resolved in the near future.

5. Mr. Flores reports that subsequent to the initial supplemental appropriation of funds, the General Construction Contractor has submitted its claim to the City Attorney, on behalf of itself and sixteen subcontractors, in the amount of approximately \$20 million. Mr. Flores further reports that protracted negotiations between the City and the General Construction Contractor have yielded few results, and that the General Construction Contractor has requested production of documents from each City department and agency involved in the design and construction of the New Sheriff's Facility. Mr. Flores anticipates the City Attorney's Office will need to prepare for, take, and defend at least two dozen depositions from key project personnel. According to Mr. Flores, if this case cannot be resolved through a negotiated settlement, the case will go to trial. As noted above, anticipated total costs would exceed the estimated \$1.25 million in costs through the end of 1996, if the case goes to trial.

6. According to Mr. Flores, the project architect has liability in excess of the \$1 million limit of its Errors and Omissions Insurance. Mr. Flores report that the City Attorney is seeking the policy limit of \$1 million as the maximum the City can realistically expect to recover. Mr. Flores reports that the vast majority of the litigation costs associated with the Sheriff's New Jail Facility is for the City's defense of the General Construction Contractor's claim against the City,

which is for approximately \$20 million in damages, as noted in Comment #5.

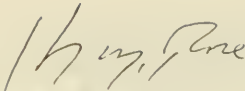
7. Mr. Flores notes that the \$283,554 in costs identified above is only for litigation activities conducted from July, 1996 through December, 1996. These costs exceed the requested release of reserved funds of \$152,786 by \$130,786. Mr. Flores also notes that these costs do not include costs of litigation beyond the end of 1996, and that a trial is not expected until mid-1997, at the earliest. Therefore, the City Attorney's Office may request an additional \$130,786 or more in additional supplemental appropriations in the future.

8. The original supplemental appropriation of the \$152,768 approved by the Board of Supervisors was for outside consultants to be hired by the City Attorney's Office in connection with the New Sheriff's Facility litigation. At the time of the appropriation, no consultants had been selected, and the funds were reserved pending selection of the consultants, the MBE/WBE status, and contract cost details. At this time, the City Attorney's Office has hired three of the six consultants: Barba Arkhon (Scheduling), Tucker Alan (Financial Audit), and Larry Wolff (Electrical Systems). These consultants are not MBE/WBEs. Mr. Flores reports that these consultants were selected on a sole source basis. The City Attorney's Office is negotiating lump sum contracts (rather than time and materials contracts) for these three consultants.

9. As noted above, the City Attorney's Office has not yet selected the other three consultants, for contracts estimated at approximately \$115,000. Therefore, this \$115,000 should not be released for these contracts. However, the City Attorney's Office has identified litigation costs totalling \$283,554, including some costs that were not included in the original appropriation. Therefore, \$168,554 of the costs shown above are eligible costs for this proposed release of reserved funds (\$283,554 less \$115,000 in unassigned contracts), which includes the City Attorney costs for copying and other discovery-related costs, and the three contracts for which the contractors are already selected. Mr. Flores notes that the City Attorney's Office will need to submit an additional supplemental appropriation request to cover this \$115,000 in contracts not yet awarded.

Recommendation: Approval of the proposed release of reserves is a policy matter for the Board of Supervisors.

Memo to Budget Committee
July 24, 1996



Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Kaufman
Supervisor Bierman
President Shelley
Supervisor Alioto
Supervisor Ammiano
Supervisor Brown
Supervisor Katz
Supervisor Leal

Supervisor Teng
Supervisor Yaki
Clerk of the Board
Controller
Margaret Kisliuk
Paul Horcher
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July 25, 1996

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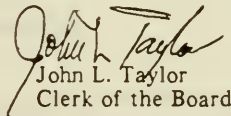
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NOTICE OF CANCELLED MEETING

BUDGET COMMITTEE

NOTICE IS HEREBY GIVEN that the regularly scheduled meeting of the Budget Committee for Wednesday, July 31, 1996, at 1:00 p.m., has been cancelled.

The next regular meeting of the Budget Committee will be held on Wednesday, August 7, 1996 at 1:00 p.m., in Room 410, Veterans Building, 401 Van Ness Avenue.


John L. Taylor
Clerk of the Board

POSTED: JULY 25, 1996

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MINUTES

REGULAR MEETING
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, AUGUST 7, 1996 - 1:00 P.M.

VETERANS BUILDING
401 VAN NESS AVENUE
ROOM 410

MEMBERS: SUPERVISORS TOM HSIEH, BARBARA KAUFMAN, SUE BIERMAN

ABSENT: SUPERVISOR SUE BIERMAN

ACTING CLERK: BARBARA STAVRO-TAYLOR

TIME MEETING CONVENED: 1:01 P.M.

1. File 101-96-3. [Appropriation, Hetch Hetchy] Ordinance appropriating and certifying \$100,931, Hetch Hetchy, of Hetch Hetchy Operating Funds, for a capital improvement project (Moccasin Penstock Repair) to cover 10% overage per Charter Section 18.103 (Ordinance 7.203) for fiscal year 1996-97; providing for ratification of action previously taken. RO #96011. (Controller)

SPEAKER: Harvey Rose, Budget Analyst

ACTION: Hearing held. RECOMMENDED.

2. File 101-96-4. [Appropriation, Department of Public Works] Ordinance appropriating \$12,040,000, Department of Public Works, of Clean Water Enterprise Revenue Bond and Operating Fund Revenue, to provide funding for Seacliff emergency work and the Twenty Fourth Avenue sewer and slope reconstruction project for fiscal year 1996-97. RO #96025. (Controller)

SPEAKER: Harvey Rose, Budget Analyst

ACTION: Hearing held. AMENDED. Add: "providing for ratification of action previously taken." RECOMMENDED AS AMENDED.

3. File 101-96-5. [Appropriation, Municipal Railway] Ordinance rescinding \$2,160,000 from a Transit Impact Development Fee project for land acquisition at Woods Maintenance Division and re-appropriating the funds to complete an exchange of Federal Section Nine (9) Capital Assistance Funds with the San Diego Metropolitan Transit Development Board which will allow the Municipal Railway to purchase equipment in fiscal year 1996-97. RO #96026. (Controller)

SPEAKER: Harvey Rose, Budget Analyst

ACTION: Hearing Held. RECOMMENDED.

4. File 101-96-6. [Appropriation, Department of Public Works] Ordinance appropriating \$1,000,000, Department of Public Works, of 1988 Sewer Revenue Bond Proceeds for the Pier 98 Wetlands Enhancement Project for fiscal year 1996-97. RO #96027. (Controller)

SPEAKERS: Harvey Rose, Budget Analyst; Rebecca Evans, Citizens Advisory Committee - Support

ACTION: Hearing held. AMENDMENT OF THE WHOLE PRESENTED IN COMMITTEE BY CONTROLLER. Add: "placing \$1,000,000 on reserve". RECOMMENDED AS AMENDED.

5. File 101-96-7. [Appropriation, Gay/Lesbian Cultural Center] Ordinance rescinding \$1,275,000 from Convention Facilities Fund Capital Project and re-appropriating the funds to the Mayor's Office of Community Development for predevelopment, design and property purchase costs of the Gay/Lesbian Community Center for fiscal year 1996-97; placing \$1,200,000 on reserve. RO #96028. (Mayor)

SPEAKERS: Harvey Rose, Budget Analyst; Margaret Kisliuk, Mayor's Office, Dana Van Gorden, Dept. of Public Health - Support.

ACTION: Hearing held. RECOMMENDED.

6. File 27-96-12. [Finding, Airport - Rates & Charges] Resolution making a finding that the schedule of rates and charges for common use facilities established by the Airports Commission effective July 1, 1996, will be sufficient to pay for maintenance and operation expenses of the San Francisco International Airport and will not require any tax subsidy; companion measure to File 27-96-12.1. (Airports Commission)

SPEAKERS: Harvey Rose, Budget Analyst; Peter Nardoza, SF Airport - Supports.

ACTION: Hearing held. RECOMMENDED.

7. File 27-96-12.1. [Airport - Rates & Charges] Resolution approving changes to the schedule of rates and charges for common use facilities at the San Francisco International Airport as established by the Airports Commission; companion measure to File 27-96-12. (Airports Commission)

SPEAKERS: Harvey Rose, Budget Analyst; Peter Nardoza, SF Airport - Supports.

ACTION: Hearing held. RECOMMENDED.

8. File 101-90-127.9. [Reserved Funds, DPW-Bureau of Architecture] Hearing to consider release of reserved funds, Department of Public Works-Bureau of Architecture (1990 Earthquake Safety Bond Program Phase 2), in the amount of \$614,880 for awarding and certifying the construction contract to MLS Construction, for the removal of seismic hazards and other environmental hazards at the Women's Jail Building CJ3. (Department of Public Works-Bureau of Architecture)

SPEAKERS: Harvey Rose, Budget Analyst; Mark Primeau, DPW

ACTION: Hearing held. Release of \$614,880 approved. FILED.

9. File 101-95-87.1. [Reserved Funds, Department of Public Works] Hearing to consider release of reserved funds, Department of Public Works (Gasoline Tax Fund), in the amount of \$50,000 for contractual services of Kingston Constructors, Inc. for the Mission Street Lighting Project. (Department of Public Works)

SPEAKER: Harvey Rose, Budget Analyst.

ACTION: Hearing Held. Release of \$50,000 approved. FILED.

10. File 100-95-1.7 [Release of Reserved Funds - Human Services] Hearing to consider release of reserved funds, Department of Human Services, in the amount of \$81,000 to fund the 1235 Mission Basement Construction Project. (Department of Human Services)

SPEAKER: Harvey Rose, Budget Analyst.

ACTION: Hearing Held. Release of \$81,000 approved. FILED.

VOTE: 2-0 ON ALL ITEMS.

TIME MEETING ADJOURNED: 1:37 P.M.

CITY AND COUNTY



OF SAN FRANCISCO

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BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

August 5, 1996

TO: Budget Committee

FROM: Budget Analyst *Recommendations for meeting of.*

SUBJECT: August 7, 1996 Budget Committee Meeting

Item 1 - File 101-96-3**Department:** Hetch Hetchy

Item: Supplemental appropriation ordinance appropriating \$100,931 for a Hetch Hetchy capital improvement project to cover an overage exceeding 10 percent in accordance with Charter Section 18.103, providing for ratification of action previously taken.

Amount: \$100,931**Source of Funds:** Previously Appropriated Surplus Hetch Hetchy Funds

Description: Charter Section 18.103 and Administrative Code Section 6.6 require that an expenditure in excess of 10 percent of the original contract amount be authorized by the Board of Supervisors. The proposed ordinance would authorize Hetch Hetchy to pay the portion of the contract costs (\$101,931) that exceeded 10 percent of the original estimated contract amount of \$2,132,416, in accordance with Charter Section 18.103.

In May of 1995, the Public Utilities Commission (PUC) awarded a \$2,132,416 contract to A. Ruiz Construction Company to repair the foundation supporting the Moccasin Penstock located near Moccasin, California, which is the water line to the Moccasin power plant. A. Ruiz Construction Company is a City-certified MBE firm. The

\$2,132,416 included an 8.9 percent construction contingency (\$1,957,416 original contract amount, plus \$175,000 in contingency funds).

The infrastructure that was contracted for repair with A. Ruiz Construction Company was constructed in 1935. According to Mr. Carlos Jacobo of the PUC, accurate engineering diagrams of the infrastructure's foundation do not exist, and the estimates upon which the contract was bid and awarded were based on the 1935 contract drawings. As the soil surrounding the original foundation was removed, the City's construction engineers and the contractor discovered that the foundations were significantly larger than originally indicated in the 1935 contract drawings. As a result, the cost for demolition, excavation and repair of the foundations supporting the Moccasin Penstock now exceed the estimates upon which the contract was bid and awarded, according to Mr. Jacobo.

The overage from the original contract is derived as follows:

Original Contract Amount (including Contingency funds)	\$2,132,416
Plus: Additional contractor costs associated with the demolition, excavation and repair of the foundations (14.7% total overage).	<u>314,065</u>
Total Actual Contract Expenditures	\$2,446,481
Original Construction Contract plus Contingency funds (8.9%)	\$1,957,416 175,000
Plus: Previously appropriated Hetch Hetchy operating funds paid to the contractor for 10% of the total project cost overages.	<u>213,134</u>
Total Amount Previously Appropriated	<u>2,345,550</u>
Requested Amount of Supplemental Appropriation	\$101,931

As noted above, the total overage on this contract was \$314,065 or 14.7% of the original contract amount of \$2,132,416. Hetch Hetchy has previously paid the contractor for approximately 10% of this contract overage, or \$213,134. The proposed ordinance would reappropriate an additional \$101,931 or 4.7% to pay for the remaining contract overage with respect to the Moccasin Penstock Project.

Recommendation: Approve the proposed ordinance.

Item 2 - File 101-96-4

Department: Department of Public Works (DPW)

Item: Ordinance appropriating \$12,040,000 of Clean Water Enterprise Revenue Bond, Working Capital Fund and surplus revenues, to provide funding for Seacliff emergency work and the 24th Avenue Sewer and Slope Reconstruction Project for FY 1996-97.

Amount: \$12,040,000

Source of Funds:

Sewer Revenue Bond Series 1988A:	\$5,133,755
Sewer Revenue Bond Series 1988B:	2,739,170
Clean Water Enterprise Working Capital Fund	2,718,335
Clean Water Enterprise Surplus Revenues	<u>1,448,740</u>
Total Funding Sources	\$12,040,000

Description: On December 11, 1995, the sandy soil underlying the hillside between 24th Avenue and El Camino del Mar in the Seacliff/West Clay Park district of San Francisco was eroded by storm water flowing from a failed brick sewer that crossed beneath the slope. The erosion resulted in the loss of one single family residence, and undermined several other residential properties, as well as portions of El Camino del Mar, 24th Avenue, the Presidio and the brick sewer itself. On January 18, 1996 the Board of Supervisors approved an emergency resolution authorizing the Director of the DPW to cap the failed brick sewer, stabilize the hillside and fill a hole created by the earth movement (File 28-96-1).

The proposed \$12,040,000 supplemental appropriation would fund (1) \$4,700,000 in emergency work (temporary measures) that was completed in January of 1996, including temporarily stabilizing the hillside, protecting adjacent properties from further damage and handling the sewage flow around the sinkhole; as well as (2) \$7,340,000 in permanent restoration, reconstruction and stabilization work. Design work for the permanent work was started in March of 1996. Permanent construction work was started in May of 1996, and is expected to be completed by March of 1997. The permanent work includes construction of a replacement brick sewer on 24th Avenue, restoration of the eroded hillside and roadway, underpinning for the single family residences that were undermined, replacement of the sewer on West Clay Avenue, relining of another sewer

on 24th Avenue between Lake and West Clay Avenue, and revegetation of the hillside and Lobos Creek.

The DPW initially employed three contractors who were already under separate contracts with the City on nearby projects to assist with the emergency construction work: Shank/Balfour Beatty, A. Ruiz Construction and Esquivel Grading & Paving. The latter two firms are MBE firms. Other firms as identified in the attachment to this report participated in the emergency work. In total, MBE firms received \$1,430,000, or 33.2 percent of the \$4,300,000 in emergency contract work (\$4.7 million total less \$400,000 in DPW and other City staff costs), and WBE firms received \$140,000 or 3.2 percent of the \$4,300,000 in emergency contract work.

Three contractors who performed emergency design work have been retained to assist the DPW with the permanent design work: Hydroconsult Engineers, SOH & Associates and Treadwell & Rollo. In addition, three firms who performed emergency construction management work have been hired to assist the DPW with the permanent construction management work: EPC Consultants (MBE), Haley & Aldrich, Inc. and Underground Construction. Mr. James Chia of the DPW states that these firms were selected to perform the emergency and permanent work because they were all already under contract with the DPW for other projects, and were available to carry out the work immediately.

The DPW has retained Shank/Balfour Beatty to perform the permanent sewer replacement and slope reconstruction work, under a change order to that firm's existing contract for the Richmond Transport Project. Mr. Chia advises that the Richmond Transport Project is a major sewer project that is being undertaken to comply with Regional Water Quality Control Board regulations requiring a reduction in sewer overflow in various parts of the City. According to Mr. Chia, the Shank/Balfour Beatty contract under the Richmond Transport Project involves construction of a tunnel from the Presidio to the Great Highway. Mr. Chia advises that, as part of this contract, Shank/Balfour Beatty had already built a 24th Street Connector, (to be connected to the Richmond Transport), which was damaged in the sewer failure that is the subject of this proposed supplemental appropriation request. Mr. Chia points out that the 24th Avenue Sewer and Slope Reconstruction Project is directly related to the Richmond Transport

Project, and therefore, use of Shank/Balfour Beatty under a change order was appropriate.

Mr. Chia states that the DPW did not conduct separate competitive bids for the permanent design or construction work because it was necessary to proceed on a fast track basis to avoid potential further damage. Specifically, Mr. Chia states that until the permanent work is completed, the single family residences are still potentially in jeopardy, and the City risks failure of either the 17th Avenue sewer or the 22nd Avenue sewer due to the excess stress placed on these sewers without the 24th Avenue sewer.

Design costs for the permanent work total \$650,000, or approximately 8.9 percent of the total \$7,340,000 cost of the permanent work. Investigations costs for the permanent work are \$300,000, and construction management costs are \$600,000. Staff costs for services of the Department of Parking and Traffic, the City Attorney and the Department of Real Estate total \$180,000 for the permanent work. Shank/Balfour Beatty and their subconsultants would receive the balance of \$5,610,000 for the permanent work.

Budget:

The following data summarizes the budget for the proposed supplemental appropriation. Budget details provided by the DPW are attached to this report. The attachment shows the allocation of the emergency work and the permanent work among the various firms that participated or are participating, with the exception of subcontractors to Shank/Balfour Beatty for the permanent construction work. Mr. Chia states that such subcontractors had not yet been selected by Shank/Balfour Beatty as of the writing of this report.

<u>Task</u>	<u>Emergency Work</u>	<u>Permanent Work</u>
Investigations	\$510,000	\$300,000
Design	370,000	650,000
Construction Management	650,000	600,000
Emergency Construction	3,120,000	-----
El Camino del Mar Sewer & Slope Reconstruction	-----	5,010,000
West Clay Sewer Replacement	-----	600,000
Department of Parking and Traffic	-----	60,000
City Attorney	20,000	60,000
Department of Real Estate	<u>30,000</u>	<u>60,000</u>
Total	\$4,700,000	\$7,340,000

Memo to Budget Committee
August 7, 1996 Meeting of Budget Committee

Comments:

1. Mr. George Wong of the City Attorney's Office states that the City Attorney and the DPW are looking at the facts to determine whether or not third parties, such as contractors who have done work in the area, were in any way responsible for the damage that occurred. Mr. Wong states that, if it is found that third parties are responsible, the City will attempt to recover from such parties the costs expended on addressing the emergency and repairing the damage.
2. Under normal circumstances, the Budget Analyst would recommend reserving portions of the construction contract funds pending identification of the MBE/WBE status of subcontractors by the DPW. However, because of the urgent nature of the permanent work, as represented by Mr. Chia of the DPW, no reserves are recommended.
3. Because funds have already been expended for the Seacliff emergency work and the 24th Avenue Sewer and Slope Reconstruction Project, the subject ordinance should be amended to provide retroactive authorization.

Recommendation:

Amend the proposed ordinance to provide retroactive authorization, and approve the proposed ordinance as amended.

AttachmentPROJECT SCHEDULE FOR THE PERMANENT SOLUTION

Complete Underpinning Design	April 1996
Complete shoring Design	May 1996
Complete 24th Avenue Connector Design	May 1996
Complete 24th Avenue Connector Construction	November 1996
Complete Slope Stabilization	January 1997
Complete Street Restoration	February 1997
Complete Landscaping Work	March 1997

NEGATIVE IMPACT

If additional funds are not approved for this project, construction of the permanent solution will not be possible. It is very important that the 24th Avenue connector be reconstructed both to comply with current Cease and Desist Order for completion of the Richmond Transport Project and to minimize flooding in the local areas at 24th Avenue and West Clay, 22nd Avenue and West Clay and 17th Avenue and Lake. Currently, the 17th Avenue and the 22nd Avenue outfall sewers have to handle additional flow during wet weather. This put undue stress on them. Without the 24th Avenue connector, the city risks the failure at either the 17th Avenue sewer or the 22nd Avenue sewer and a repeat of what happened on December 11, 1995.

BUDGET DETAIL:

	<u>Preliminary Report</u>	<u>Final Report</u>
Investigations		
Brown & Caldwell	\$ 210,000	
Failure Analysis & Associates	<u>\$ 300,000</u>	<u>\$ 300,000</u>
Sub-Total:	\$ 510,000	\$ 300,000
For Design		
Hydroconsult Engineers	<u>\$ 20,000</u>	<u>\$ 30,000</u>
SOH & Associates	\$ 100,000	\$ 60,000
Treadwell & Rollo	\$ 100,000	\$ 360,000
BOE/BCM (5645 hours @ \$62/hr.)	<u>\$ 150,000</u>	<u>\$ 200,000</u>
Sub-Total:	\$ 370,000	\$ 650,000
For Construction Management		
EPC Consultants (MBE)	<u>\$ 100,000</u>	<u>\$ 100,000</u>
Haley & Aldrich, Inc.	\$ 250,000	\$ 200,000
Underground Construction	\$ 100,000	\$ 100,000
BOE/BCM (6452 hours @ \$62/hr.)	<u>\$ 200,000</u>	<u>\$ 200,000</u>
Sub-Total:	\$ 650,000	\$ 600,000

Construction Cost	<u>Emergency Work</u>
A. Ruiz Construction (MBE)	\$1,100,000
Esquivel Grading & Paving (MBE)	\$ 40,000
CST Environmental, Inc. (MBE)	\$ 10,000
Granite Excavation & Demo (WBE)	\$ 140,000
Millard Tong Construction Co. (MBE)	\$ 80,000
Peak Engineering (MBE)	\$ 100,000
Shank/Balfour Beatty	<u>\$1,650,000</u>
Sub-Total:	\$3,120,000

El Camino del Mar Sewer & Slope Reconstruction (Estimated Construction Cost)

	<u>Permanent Work</u>
Underpinning	\$ 380,000
Shoring	\$ 640,000
Excavation	\$ 600,000
Backfill/Regrade	\$ 580,000
24th Avenue Connector	\$1,100,000
Slip Line 6' Brick Sewer	300,000
Sewer Activation	\$ 150,000
Landscaping	\$ 260,000
Lobos Creek Restoration	\$ 500,000
Contingency	<u>\$ 500,000</u>
Sub-Total:	\$5,010,000

West Clay Sewer Replacement (Estimated Construction Cost)	<u>Permanent Work</u>
	\$ 600,000

Others City Services	<u>Emergency Work</u>	<u>Permanent Work</u>
DPT (923 hours @ \$65/hr.)		\$ 60,000
City Attorney (800 hours @ \$100/hr.)	\$ 20,000	\$ 60,000
Real Estate Dept. (1200 hours @ \$75/hr.)	<u>\$ 30,000</u>	<u>\$ 60,000</u>
Sub-Total:	\$ 50,000	\$ 180,000

	<u>Emergency Work</u>	<u>Permanent Work</u>
Emergency Work Total:	\$ 4,700,000	
Permanent Work Total:		\$ 7,340,000

Grand Total: \$12,040,000

Item 3 - File 101-96-5

Department: Public Transportation Commission (PTC)
Municipal Railway (MUNI)

Item: Ordinance reappropriating \$2,160,000 from surplus Transit Impact Development Fee (TIDF) funds, originally appropriated for MUNI's Woods-Islais capital improvement project, to be used to reimburse the San Diego Metropolitan Transit Development Board for Federal Section 9 funds awarded to MUNI, which were originally earmarked for San Diego.

Amount: \$2,160,000

Source of Funds: Surplus Capital Improvement Project monies from Transit Impact Development Fees (TIDF). These funds consist of a one-time \$5.00 per/square foot fee charged to developers of office buildings, as a condition for the issuance of a building permit, which is related directly to the incremental financial burden placed on MUNI to provide additional peak-period transit service in the downtown area, bounded by Van Ness Avenue, Broadway, Sansome Street, the Embaradero, Berry Street, De Haro Street, Alameda Street, Bryant Street and Thirteenth Street.

Description: The Board of Supervisors previously approved legislation authorizing the PTC to apply for, accept and expend \$72,167,041 from Federal and State grant funds and \$6,947,400 in various local matching sources, for a total of \$79,114,441 for 12 MUNI projects and one Port project. At the same time, the Board placed \$73,345,000 on reserve pending the submission of budget details, the selection of contractors and the MBE/WBE status of the contractors for the 13 projects.

The PTC advises that, of the \$72,167,041 in Federal and State grant funds, \$2,700,000 is currently on reserve. This amount of \$2,700,000 represented Federal Section 9 funds from the Metropolitan Transit Commission (MTC), which were originally awarded to the San Diego Metropolitan Transit Development Board. This allocation of \$2,700,000 was subsequently declared surplus to the needs of San Diego. The MTC reallocated the \$2,700,000 in surplus Federal Section 9 funds from the San Diego Metropolitan Transit Development Board to MUNI.

In accordance with an agreement between the San Diego Metropolitan Transit Development Board and the City and

Memo to Budget Committee
August 7, 1996 Budget Committee Meeting

County of San Francisco for the exchange of the Federal Section 9 funds for non-Federal funds, the proposed ordinance would appropriate \$2,160,000 to the San Diego Metropolitan Transit Development Board in return for the \$2,700,000 in Federal Section 9 funds to be reallocated by MTC from the San Diego Metropolitan Transit Development Board to MUNI, thereby resulting in a net revenue increase to MUNI of \$540,000.

Comment:

Mr. Jerry Levine of the MUNI advises that the \$2,700,000 represents a portion of the \$73,345,000 noted above that was placed on reserve pending budget details, the selection of contractors and the MBE/WBE status of the contractors. The \$2,700,000 is earmarked for data processing equipment, office equipment and other miscellaneous equipment. Mr. Levine advises that MUNI is unable, at this time, to provide the specific budget details for the \$2,700,000, but that such budget details will be provided when MUNI submits its request to the Board of Supervisors for the release of the \$2,700,000 in reserved funds.

Recommendation: Approve the proposed ordinance.

Item 4 - File 101-96-6

Department: Department of Public Works (DPW)
Clean Water Program

Item: Supplemental Appropriation Ordinance appropriating \$1,000,000 in 1988 Sewer Revenue Bond proceeds for the Pier 98 Wetlands Enhancement Project for Fiscal Year 1996-97.

Amount: \$1,000,000

Source of Funds: 1988 Sewer Revenue Bond Proceeds

Description: In November of 1976, San Francisco voters approved the issuance of \$240 million principal amount of sewer revenue bonds for the purpose of acquiring, constructing, improving and financing the City's Clean Water Program. The City has heretofore issued the entire principal amount, the most recent sale being Series 1988B in the amount of \$45 million.

Ms. Ann Carey of DPW reports that the unappropriated bond fund balance is currently \$18,104,310. This proposed supplemental appropriation request would approve an appropriation of \$1,000,000 of 1988 Sewer Revenue Bond proceeds. These funds would be used for the Pier 98 Wetlands Enhancement Project.

Background: The City and County of San Francisco is currently subject to a Cease and Desist Order (CDO) imposed by the Regional Water Quality Control Board to eliminate the discharge of treated wet-weather flows (combined sewer overflows) into Islais Creek that do not meet Basin Plan¹ requirements for prohibiting discharge into waters with less than 10:1 dilution. Citing equivalent environmental protections, and a significant cost of implementing any of the alternatives identified in the Environmental Impact Report (EIR) to address the problem (estimated in the current draft EIR at a minimum of \$72 million for a new Bay outfall), the City and County has filed a request for an exception to the Basin Plan's 10:1 dilution requirements before the Regional Water Quality Control Board. The Regional Water Quality Control Board has indicated that the matter would be considered at its meeting of August 21, 1996. If the Exception Request is granted, the CDO would be lifted.

¹The Basin Plan is the Regional Water Quality Control Board's Plan for monitoring and controlling water quality in the San Francisco Bay.

Ms. Wendy Ho Iwata of the Clean Water Program reports that staff of the Regional Water Quality Control Board has indicated that a suitable environmental enhancement project should accompany the City's Exception Request. According to Ms. Iwata, the Pier 98 Wetlands Enhancement Project (Project) is an environmental enhancement project that would benefit the quality of the water surrounding Islais Creek.

**Project
Description**

The Pier 98 Wetlands Enhancement Project is an ongoing wetlands environmental project initiated by the Port of San Francisco to mitigate landfill that the Port had previously placed in Pier 98 in anticipation of using Pier 98 as a cargo facility. As a result of the Port losing most of its cargo business, Pier 98 was never completed or used as a cargo facility. As currently planned, the Pier 98 Wetlands Enhancement Project would include 26 acres of land, 14 of which would be devoted to wetlands, with the balance of the 12 acres devoted to recreation, uplands beautification, and shoreline protection. According to Ms. Iwata, the Bay Conservation Development Corporation (BCDC) has approved the conceptual design for the Project. Ms. Iwata states that the Project can be initiated in January of 1997 and that the Project enhances the environment as well as the impacted community. Ms. Iwata also reports that community meetings would be held in the Bayview/Hunters Point and Islais Creek communities to solicit recommendations for beneficial recreational and related facilities that could be located in the Pier 98 upland areas.

Procedurally, the Department of Public Works would execute a Memorandum of Understanding (MOU) with the Port of San Francisco to provide funding to the Port in an amount not to exceed \$1 million. The Port would be responsible for the design, construction, and maintenance of the wetlands. According to Ms. Iwata, if this request for \$1 million is approved, the Project would begin in January of 1997, with an expected completion date within six months, or June 30, 1997.

According to Ms. Iwata, if the CDO is enforced, the City would have to choose among the alternatives identified in the Bayside Environmental Impact Report (EIR) in order to address prohibited Islais Creek discharges. These alternatives range from a new, deeper Bay outfall (costing an estimated \$72 million) to a crosstown tunnel (costing an estimated \$225 million), or enhanced treatment for exporting

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water to outside regions for beneficial reuse (costs unknown pending completion of feasibility studies). According to Ms. Iwata, failure to comply with the CDO could result in financial penalties imposed by the Regional Water Quality Control Board on the City of up to \$10,000 per day.

Budget:

The construction work to be performed for the Pier 98 Wetlands Enhancement Project primarily consists of debris removal, excavation and grading, shoreline protection, and upland beautification, with the specific purpose of creating a recreation area that is also an environmental enhancement for the community. Ms. Iwata reports that the budget details for the Pier 98 Wetlands Enhancement Project are likely to change as the design is modified in response to comments from Bay Conservation Development Corporation (BCDC), the Regional Water Quality Control Board, and the public. The preliminary estimate for the construction of the project is \$1 million. The estimated cost breakdown is as follows:

Site Construction Costs:

Mobilization and demobilization	\$20,000
Clearing and grubbing	50,000
Debris removal	100,000
Excavation/grading	250,000
Drainage structures	50,000
Shoreline protection	<u>200,000</u>
	<u>\$670,000</u>

Site Landscaping and Public Amenities:

Stairs for beach access	\$25,000
Improved fishing areas	25,000
BBQ and picnic areas	30,000
Disabled access nature trails	50,000
Nature viewing areas	20,000
Nature interpretive signage	5,000
Landscaping	100,000
Gates and restrooms	15,000
Community facilities	60,000
	<u>\$330,000</u>

Total Construction Costs	\$1,000,000
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Port funds in the amount of \$235,000 have already been appropriated for preliminary and final design and construction management. No more than the requested \$1 million would be funded from Clean Water Program, according to Ms. Iwata.

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BUDGET ANALYST

Comments:

1. Attachment I to this report is an extract from the revised tentative Regional Water Quality Control Board Order, prepared by the staff of the Regional Water Quality Control Board, which would replace the existing Cease and Desist Order. As stated in the cover letter to the order, the Regional Water Quality Control Board staff intends to bring the revised order to the Regional Water Quality Control Board for consideration of adoption at the Control Board's meeting planned for August 21, 1996. Paragraph 9 of the extract states that "The City's staff has conceptually agreed to fund a 25-acres wetland project near Pier 98." According to Mr. Johnson Lam of the Regional Water Quality Control Board, the Pier 98 Wetlands Enhancement Project "is an important element of the City's Exception Request." Mr. Lam further stated that "the Project would provide additional beneficial uses for the area."

2. Attachment II is a letter from Ms. Iwata explaining that if this request of \$1 million is not approved, then the City could incur additional costs of an estimated \$72 million. This letter also explains why 1988 Sewer Revenue Bond funds, as opposed to Port revenues, are being requested to pay for the Pier 98 Wetlands Enhancement Project. Ms. Iwata reports that if funds are not appropriated for the Pier 98 Wetlands Enhancement Project, the Regional Water Quality Control Board may not be willing to approve the City's Exception Request to the Basin Plan, and the existing Cease and Desist Order for Islais Creek may remain in effect. Ms. Iwata further reports that if the \$1 million in requested bond funds are not appropriated for this Project, not only would the likelihood for approval of the City's Exception Request be lessened, but also that a significant opportunity would be missed to improve and enhance water quality and wetlands in an area of San Francisco that has historically suffered from decades of industrial pollution and environmental degradation.

3. Attachment III is a memorandum from Ms. Carol Bach of the Port of San Francisco providing narrative information on the scope and estimated total costs of the Pier 98 Wetlands Enhancement Project. According to Ms. Bach, other than for on-going maintenance costs, which would not be significant and which would be absorbed within the Port's current budget, no other development costs for the Project, beyond those identified in the preliminary Project budget of \$1 million, are contemplated. Ms. Bach has stated that "1,000,000 is a reasonable amount for completion of the project." Attachment III also provides a detailed preliminary

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August 7, 1996 Budget Committee Meeting

project budget totaling \$1,235,000, including \$235,000 previously allocated to the Project by the Port, with explanations for each category of spending as shown in the budget above.

4. Ms. Iwata has advised the Budget Analyst that the Clean Water Program's commitment to the Pier 98 Wetlands Enhancement Project is limited to the \$1 million requested in this proposed legislation. Furthermore, Ms. Iwata advises that if this supplemental appropriation request is approved, the MOU between the Clean Water Program and the Port will limit the Clean Water Program's contribution to the Project at the requested amount of \$1 million.

5. The Citizens Advisory Committee on Wastewater Management (CAC) was established by the Board of Supervisors to provide and maintain a continuing review of the City's Clean Water Program. At its May 1996 meeting, the CAC voted to support the City's Exception Request to the Basin Plan related to the Islais Creek Cease and Desist Order. Furthermore, the CAC endorsed the staff recommendation to implement the Pier 98 Wetlands Enhancement Project.

6. The proposed construction work would be accomplished by a contractor selected through the City's Invitation for Bids process. Therefore, the requested amount of \$1 million should be placed on reserve pending selection of the construction contractor, submission of cost details, and the MBE/WBE status of the contractor.

Recommendations: 1. In accordance with Comment No. 6 above, amend the proposed ordinance by reserving \$1 million, pending selection of the construction contractors, submission of cost details, and the MBE/WBE status of the contractors.

2. Approval of the proposed ordinance, as amended, is a policy matter for the Board of Supervisors.

STATE OF CALIFORNIA - CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD

SAN FRANCISCO BAY REGION
2101 WEBSTER STREET, Suite 500
OAKLAND, CA 94612

Tel: (510) 286-1266
FAX: (510) 286-1380
BBS: (510) 286-0404



July 11, 1996

File No. 2169.6010(JYL)

Mr. Robert Todd Cockburn, Deputy
Director for Engineering and City Engineer
Department of Public Works
1680 Mission Street
San Francisco, CA 94103

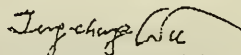
Re: Revised Tentative Order for amendment of Waste Discharge
Requirements for City and County of San Francisco
Southeast Water Pollution Control Plant and

Dear Mr. Cockburn:

Enclosed is a copy of a revised tentative order for the City and County of San Francisco, Southeast Water Pollution Control Plant, prepared by Regional Board staff. We intend to bring this to the Board for consideration of adoption at the Board's meeting on August 21, 1996. Please submit any comments you have to me by August 10, 1996.

If you have any questions, please contact Mr. Johnson Lam of my staff at (510) 286-0616.

Sincerely,


Teng-Chung Wu, Chief
Surface Water Protection Division

cc: Terry Oda, EPA
John Norton, SWRCB
Michael Lozeau, BayKeeper

Attachment: Revised Tentative Order and Fact Sheet

pollutants. The Board intends to revise the permit findings and Fact Sheet and to clarify the basis for the requirements.

7. The Basin Plan prohibits waste discharges to surface waters where less than 10:1 initial dilution is achieved. An exception will be considered where:
 - An inordinate burden would be placed on the discharger relative to beneficial uses protected, and an equivalent level of environmental protection can be achieved by alternate means, such as an alternative discharge site, a higher level of treatment, and/or improved treatment reliability.
8. On February 1, 1996, the City submitted a written request for an exception to the Basin Plan. The exception would apply to the existing seasonal and intermittent discharge of treated effluent from the SEP to Islais Creek during wet weather. Currently, the discharges occur approximately 600 hours per year with annual volume of 1,700 million gallons (primary/secondary blend). The City is constructing facilities to mitigate the potential impacts of the wet weather discharge into Islais Creek. These facilities are designed to insure that only secondary-treated flows are discharged to Islais Creek by 1997. The construction for the "re-piping" project to meet this objective will cost approximately \$17 million. This wet weather discharge after improvement is expected to provide the "equivalent level of environmental protection" required by the exception criteria. The costs of other alternatives identified in Finding 5 are substantially higher, ranging from \$72 to \$225 million and the alternatives are unlikely to produce measurable environmental benefits.
9. The City's staff has conceptually agreed to fund a 25-acres wetland project near Pier 98. The project is an environmental enhancement opportunity that will benefit the quality of the waters surrounding Islais Creek. This wetlands enhancement project will cost approximately \$1 million. The project includes 14 acres devoted to wetlands, with the balance of the 11 acres devoted to passive recreation, uplands beautification, shoreline protection, and debris removal.
10. Based on the City's recent analysis, by 1997, as a result of the CSO reduction into Islais Creek (because of the higher treatment plant capacity and storage from current 210 MGD to 250 MGD and the re-piping project), the discharge will produce a 41% reduction in annual suspended solids discharged to Islais Creek.
12. Based on support documents provided by the City's draft EIR (dated May 20, 1994), and the February 1, 1996 written exception request and staff review of the City's performance data from SEP, Board's staff finds that the City's exception request meets the criteria set forth in the Basin Plan. The staff's findings are fully documented in the Fact Sheet of this Order.
13. On April 11, 1994, the U.S. EPA adopted the Combined Sewer Overflow (CSO) Control Policy (50FR 18688). This Policy establishes a consistent national approach for

City and County of San Francisco

Department of Public Works
Project Management

July 31, 1996



Mr. Harvey Rose, Budget Analyst
Board of Supervisors
401 Van Ness Avenue, #308
San Francisco, CA 94102

RE: PIER 98 WETLANDS ENHANCEMENT PROJECT

Dear Mr. Rose:

I write to confirm that the Exception Request to the San Francisco Bay Basin Plan relating to the Islais Creek Cease and Desist Order (CDO) flows is a prudent and environmentally sound course for the City; that the California Regional Water Quality Control Board (RWQCB) has the authorization to approve or deny the City's Exception Request; that the RWQCB Executive Officer and staff have indicated that a suitable environmental enhancement project should accompany the City's Exception Request; that a site tour was conducted for the RWQCB Executive Officer of the Pier 98 Wetlands Enhancement Project, and the Executive Officer was assured that the Wetlands Project met her criteria of improving the water quality and increased beneficial uses in the CDO area; that rejection of the Exception Request by the RWQCB will mean continuance of the Cease and Desist Order, thereby forcing the City to choose among the alternatives identified in the Bayside Draft EIR which range from construction of a new Bay outfall (\$72 million) to variations on a crosstown tunnel (up to \$225 million).

Furthermore, City staff selected the Pier 98 Wetlands project to accompany the Exception Request because the project met the geographic and water quality objectives of RWQCB; the Port is already under obligation with BCDC to construct the Pier 98 wetlands project due to an earlier agreement entered with BCDC; the Port has demonstrated its fiscal inability to secure the funding for the wetlands; the Pier 98 Wetlands project has already received regulatory approvals on preliminary design, can be implemented immediately, and is the only project known by City staff to meet all criteria necessary for presentation before the 8/21/96 Regional Board hearing on this matter; selection of the Pier 98 Wetlands Project thereby fulfills two environmental demands facing the City.

Should you have any further questions, please contact me at (415) 558-4022.

Sincerely,

A handwritten signature in dark ink, appearing to read "Wendy Iwata", written over a horizontal line.

Wendy Iwata
Project Manager

PORT OF SAN FRANCISCO

MEMORANDUM

TO: Stan Jones

DATE: August 1, 1996

FROM: Carol Bach

SUBJECT: Preliminary Cost Estimate and Project Status
Pier 98 Wetlands Enhancement and Public Access Project

Attached is a Preliminary Cost Estimate for the Pier 98 project. The total estimated project cost is \$1,235,000. The Port has already allocated \$235,000 of Port funds to a Capital Project Account for the ecological and engineering design. We anticipate that \$1,000,000 would be sufficient to complete the activities outlined in the attached budget.

The Port has entered into a contract with a consultant team lead by environmental engineering consultants, Levine-Fricke, for \$175,000 for ecological and engineering design, through completion of final project design. The contracted scope of work includes completion of a final design, with construction plans and technical specification for bidding the construction phase. To date the site assessment and preliminary design, approximately, 35% of the total scope of work, have been completed. Work completed to date includes wetlands delineation for Army Corps of Engineers permitting; assessment of site physical values such as vegetation and hydrology; completion of the rare and endangered species inventory; aerial surveying; development of the preliminary design; and conceptual layout drawings.

The remainder of the design phase will include presentation to the public and regulatory agencies for review and comment, evaluation of input and alternatives, and environmental review through City Planning. Please be aware that the design phase is only approximately 30% complete, and community and regulatory agency has not been received yet. Therefore this estimate should be considered subject to approximately 30% variability around the estimated implementation costs (i.e. “Site Construction” and “Site Landscaping and Public Amenities” as described in attachment).

cc: Wendy Iwata, Department of Public Works
John Cooper, City Attorney

Port of San Francisco

Pier 98 Wetlands and Public Access Project
Preliminary Cost EstimateSite Construction

<u>Mob and demob:</u> Contractor's construction and earth moving equipment, including graders, dozers, scrapers, and backhoe, will be transported to and from the project site. A field trailer, and possibly temporary fencing will be brought to the site for use during the construction phase. Equipment for water connections or a water truck may be required for dust control.	\$20,000
<u>Clearing and grubbing:</u> Invasive non-native vegetation will be removed, and the site will be disked as needed to remove seed beds. Clearing and grubbing is required to prepare the site for planting with native plant species which define different types of wetland habitats.	\$50,000
<u>Debris removal:</u> Asphalt and concrete currently covering areas which are to be restored as wetlands will be broken, loaded, and removed from the site. Abandoned debris including tires, shopping carts, drums and car parts will be removed. Rip-rap currently in place to stabilize the shoreline will be removed or treated (i.e. removal of exposed rebar) as needed to meet BCDC standards.	\$100,000
<u>Excavation and grading:</u> Ground surface will be cut, filled, and graded as needed to create or enhance different wetland habitats at different elevations. Low permeability material will be placed in the upland area as required by the RWQCB. The picnic area, walkway, service road and service vehicle turnaround will be graded.	\$250,000
<u>Drainage structures:</u> New and existing wetland areas will be graded, and swales will be constructed to promote appropriate drainage. Channels will be excavated through some wetland areas to allow circulation.	\$50,000
<u>Shoreline protection:</u> Rip-rap will be stabilized, reinforced, or replaced as needed to prevent shoreline erosion based on wave analysis.	\$200,000
Subtotal - Site Construction Costs	\$670,000

Site Landscaping and Public Amenities

<u>Stairs to beach access:</u> Stairs will be constructed from the upland area to the sandy beach on the northern side of the site to facilitate safe access to the beach.	\$25,000
<u>Improved fishing areas:</u> Low-maintenance improvements to popular fishing areas may include construction of fish-cleaning tables with hand-operated saltwater pumps.	\$25,000
<u>BBQ and Picnic area:</u> A small landscaped and paved walkway and picnic area will be constructed in the upland portion of the site, including two or three picnic tables and barbecues.	\$30,000

<u>Handicapped access trails:</u> Trails to the picnic, fishing, and viewing areas will be constructed to direct foot traffic away from wetlands. Trails will be paved with decomposed granite, and constructed to comply with ADA requirements for handicapped access.	\$50,000
<u>Nature viewing areas:</u> Benches will be installed at two primary viewing locations. Bird blinds may be proposed to facilitate bird-watching adjacent to wetlands.	\$20,000
<u>Interpretive signs:</u> Signs will be fabricated and appropriately placed to inform visitors regarding the characteristics and functions of wetlands, identify vegetation and wildlife, and describe the nature and history of the wetlands restoration project at the site.	\$5,000
<u>Landscaping:</u> Upland public access and recreation areas will be landscaped. New and existing wetland areas will be replanted with native vegetation which is essential to characterization as wetland habitat and supporting wildlife.	\$100,000
<u>Gates and restrooms:</u> Traffic barriers will be constructed to prevent access to the site by vehicles other than those required for maintenance or emergency services. Portable restrooms will be placed at the site entrance.	\$15,000
<u>Contingency/Community Facilities:</u> Reserves for unanticipated changes in scope, cost, or requirements during finalization of the project design, and construction. Changes in project scope between preliminary and final design may include revisions to proposed public amenities as a result of planned community participation.	\$60,000
Subtotal - Landscaping and Public Amenities	\$330,000
<u>Ecological and Engineering Design</u>	
<u>Preliminary and final design:</u> Ecological and engineering design includes site assessment (wetlands delineation, endangered species inventory), geotechnical and hydrologic analysis, development of preliminary design, and alternatives evaluation. Preliminary design review will include presentations to involved regulatory agencies, and to the public for review and comment. Final design will culminate in bid-ready construction plans and specifications for all project elements.	\$175,000
<u>Construction management:</u> Construction activities will be overseen by appropriately qualified consultants to ensure compliance with ecological and engineering design specifications.	\$40,000
<u>Contingency:</u> Reserves for unanticipated changes in scope, cost, or requirements which may arise during the site assessment, ecological and engineering design, and permitting phase.	\$20,000
Subtotal - Ecological and Engineering Design	\$235,000
Estimated Total Project Cost	\$1,235,000

Item 5 - File 101-96-7

Department: Mayor's Office of Community Development (MOCD)

Item: Ordinance reappropriating \$1,275,000 from the Convention Facilities Fund to the Mayor's Office of Community Development for predevelopment, design and property purchase costs for the proposed Lesbian, Gay, Bisexual and Transgender (LGBT) community center; and placing \$1,200,000 on reserve.

Amount: \$1,275,000

Source of Funds: Convention Facilities Management Fiscal Year 1996-97 budget

Description: The San Francisco Community Center Project (CCP), a non-profit agency, was established to oversee the creation of the proposed Lesbian, Gay, Bisexual and Transgender (LGBT) community center. The CCP's mission is to plan, build and operate a self-sufficient community center that will provide a safe, affordable and supportive space to link individuals, within the proposed target groups, with services and programs across racial, religious, political, HIV status, gender, age, and economic lines. Specific services to provided at the LGBT community center include, but would not be limited to (1) offering a meeting place for individuals and organizations, (2) providing an information referral system for those seeking employment, housing, community activities, and support, and (3) serving as a focal point for holding community forums which will include classes, workshops and activities. Additionally, the center would include office and retail space.

The Board of Supervisors previously approved a resolution (File 161-96-5) supporting the acquisition of property at 1800-1810 Market Street for the construction of the proposed LGBT community center.

Mr. Scott Shafer of the CCP previously reported that the estimated cost of the proposed LGBT community center is approximately \$7,299,063 in one-time development and construction costs. These costs would include acquisition of the land, improvements, renovation of the existing three-story Victorian house, construction of a new building, and other costs associated with construction. The Attachment, as provided by CCP, contains a budget for the total project. Estimated project costs are described as follows.

Acquisition of the land and existing Victorian building **\$1,100,000**

CCP, with the assistance of the San Francisco Redevelopment Agency, has negotiated a purchase agreement with the property owner, Mr. Ray Hoffman, to purchase the land and the existing Victorian house, located at 1800-1810 Market Street, between Octavia and Laguna Streets, for \$1,100,000. In June of 1996 a purchase agreement was signed by CCP and the property owner, Mr. Hoffman, which is scheduled to expire in November, 1996. This space currently consists of 11,000 square feet of land and a three-story Victorian house. The land would be used for construction of a new facility, which, along with the existing Victorian house, would serve as the proposed LGBT community center.

Site improvements **\$77,750**

The estimated cost of site improvements, including grading, landscaping, sewer, water and utilities improvements and other work, is approximately \$77,750.

Renovation of the existing Victorian **\$637,500**

Rehabilitation costs to the existing 7,500 square foot Victorian house are estimated at \$637,500, or approximately \$85 per square foot. This work would consist of constructing retail and lobby space, including space designated for a cafe on the first floor. The second and third floors would be converted to support office space (including small offices that share an administrative assistant, copier, conference room, and fax machine).

Construction of the new building **\$3,990,000**

Construction costs for the new building are estimated at \$3,990,000, or approximately 38,000 square feet at \$105 per square foot. This new facility would encompass 38,000 square feet on six floors and would be connected to the existing Victorian house. The new facility would consist of a gay-oriented "City Store" and book/magazine shop, an information desk, meeting rooms for community groups, and informal lounge space on the new building's first floor. The mezzanine level would have a 200-250 seat auditorium, while the second through sixth floors would be used for offices for community nonprofit organizations. A terrace on the sixth floor would be used for outdoor social events.

Construction Contingency **\$370,200**

This amount is equivalent to approximately 7.9 percent of total construction costs of \$4,705,250 (\$77,750 for site improvements plus \$637,500 for rehabilitation of the Victorian plus \$3,990,000 for the new facility).

Planning, Testing and Other Costs **\$806,063**

Soft costs associated with construction are estimated at \$806,063 and include architectural and engineering fees, plan checking and approval, testing and inspection, legal fees, accounting and auditing fees, project administration, marketing, surveys, landscaping fees, soil/geotechnical surveys, toxic assessment and other costs. CCP advises that soft costs are budgeted at 17.1 percent of direct construction costs of \$4,705,250 because this amount of \$806,063 includes other costs besides architectural and engineering costs, such as testing, inspection, assessment and surveying costs.

Fees **\$317,550**

Other fees include construction insurance, existing tenant relocation, project/construction management fees and taxes.

Total Project Costs **\$7,299,063**

The Convention Facilities Management's budget for FY 1996-97 includes \$1,275,000, which was set aside for land acquisition, predevelopment and design costs for the proposed LGBT community center. The proposed ordinance would appropriate \$1,100,000 for land acquisition, \$75,000 for predevelopment costs and \$100,000 for design costs. The MOCD, would be responsible for the administrative oversight of these funds.

The proposed ordinance also provides that \$1,200,000 of the proposed \$1,275,000 would be placed on reserved pending the selection of a contractor for design services, the MBE/WBE status of the contractor, finalized contract cost details and budget details on the land acquisition. The remaining \$75,000 would be used by MOCD to contract on a sole source basis with the CCP to administer the predevelopment phase of the LGBT community center project. According to Mr. Jon Pon of the MOCD, the CCP would use the \$75,000 to hire subcontractors to perform the direct work, noted below, associated with the predevelopment phase and to pay for related technical services.

**Budget for this
portion of the
Project:**

The following data provides a budget of \$1,275,000 for this portion of the project to be funded from the monies approved in the FY 1995-96 budget of the Convention Facilities Management:

	<u>Amount</u>
<u>Land Acquisition</u>	\$1,100,000
<u>Design</u>	100,000
<u>Predevelopment Phase</u>	
Environmental Study	\$22,000
Site Survey	6,500
Geotechnical Study	8,000
Property Management	10,000
Development Consultant	7,500
Building Inspection	1,500
Structural Analysis Report Review	3,000
Asbestos Study	3,000
Design Consultant and Cost Estimating (design and estimate of construction costs)	12,500
Building Violation Inspection (inspection of prior historical violations of building codes)	<u>1,000</u>
Subtotal	<u>75,000</u>
Total	\$1,275,000

Comments:

1. As previously noted, the total estimated cost of the LGBT community center is \$7,299,063. The CCP previously reported that it has thus far identified a total of \$4,075,000 (including the subject \$1,275,000 in Convention Facilities Management monies) in funding sources to pay for the LGBT community center project. Total funding sources are as follows:

Convention Facilities Management (Subject of this request)	\$1,275,000
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Of the estimated \$7.3 million cost of the project, \$1,275,000 has been included in the Convention Facilities Management's FY 1996-97

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budget. According to Ms. Margaret Kisliuk of the Mayor's Budget Office, this \$1,275,000 is lease revenue bond proceeds left over from the original Moscone Center expansion bond measure. These funds will be used for land acquisition and planning costs associated with the project.

Community Development Block Grant (CDBG) \$250,000

The CCP plans to apply for \$250,000 in CDBG funds from the MOCD to support construction and/or offset renovation costs for this project. Such funds, if approved, would be included in the MOCD's FY 1997 CDBG budget.

San Francisco Redevelopment Agency (SFRA) \$1,100,000

According to the SFRA, the property located at 1800-1810 Market Street on which the proposed LGBT community center is to be constructed is part of the Mid-Market Survey Area, which was approved by the Board of Supervisors in November of 1995 (File 291-95-1). The SFRA has committed to a contribution of \$1.1 million for the construction of the LGBT community center through the issuance of Tax Increment Bonds for the Mid-Market Redevelopment Project Area. The SFRA has committed these funds pending the approval by the Redevelopment Commission and the Board of Supervisors of the Final Redevelopment Plan and the Environmental Impact Report (EIR) for the survey area, which are scheduled to be completed in late 1997.

Historic Tax Credit \$115,000

Under Federal tax law, the owner of a building which has been designated as an historic site on the Federal register of historic properties is eligible to receive a Federal income tax credit for that property. If the owner of the property is a non-profit organization, Federal tax law allows that agency to sell the tax credit to a private investor in return for development capital, to be used to solely to offset the cost of rehabilitating the historic property. The maximum tax credit which can be sold is 20 percent of the rehabilitation cost of the property.

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The CCP plans to file an application to request that the existing Victorian which is located on the proposed site for the LGBT community center be designated as an historic site in order to become eligible for the Federal tax credit. The CCP advises that it would sell this tax credit in the amount of \$127,500 (20 percent of the rehabilitation cost for the Victorian of \$637,500) to a private investor in return for development capital to be used to partially offset the cost of rehabilitating the Victorian. The CCP hopes to receive at least \$115,000 in net proceeds from selling the tax credit.

Donations/Fundraising **\$1,335,000**

The CCP expects to raise approximately \$700,000 through major donations and approximately \$635,000 through contributions from the community, corporations, foundations and individuals for a total of approximately \$1,335,000.

Total Project Funding Sources **\$4,075,000**

2. As reflected above, the CCP has thus far identified \$4,075,000 in funding sources to pay for the costs of the LGBT community center, which are \$3,224,063 less than the CCP's estimated cost of \$7,299,063 for this project. The CCP previously reported that it hopes to fund the balance through additional fundraising and by applying for an unspecified loan amount from the Federal Department of Housing and Urban Development (HUD).

3. CCP has developed a comprehensive business plan that will enable the LGBT community center to be financially self-sufficient once it is open. Mr. Shafer advises that the estimated annual costs to operate the LGBT community center are \$607,500, which includes salaries and benefits for six staff members to operate the building and its programs (\$202,000), administrative costs such as telephone, travel, insurance, equipment and other costs (\$180,500), and building maintenance expenses such as utilities, sewer and scavenger services, security, etc. (\$225,000).

4. CCP expects the proposed LGBT community center to be completely self-sufficient once opened. As such, Mr. Shafer reports that additional City funding will not be requested to

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fund any costs associated with operating the LGBT community center. Mr. Shafer advises that the above operating expenses would be paid for with an estimated \$629,354 in revenues generated through lease income, fees and fundraising projects. This \$629,354 would consist of (1) lease income in the amount of \$436,854 from office and retail rents for both the new building and the Victorian house; (2) fee income in the amount of \$45,000 from the use of the meeting rooms and auditorium space; and (3) fundraising income in the amount of \$147,500, including membership fees, major donor income and fundraising projects such as bingo, dances and other special events.

5. As reflected above, the estimated annual operating revenues of \$629,354 exceed the estimated annual operating expenses of \$607,500 by \$21,854. According to Mr. Shafer, this surplus of \$21,854 could be used by the LGBT community center for debt service payments or to expand services.

6. CCP reports that the construction contractors which will be constructing the new facility and rehabilitating the Victorian house will be selected through a competitive bid process. Additionally, CCP advises that all consultants, including the architect, engineers and other consultants, will be selected through an informal bid process.

7. The CCP anticipates that construction of the LGBT community center will begin in the spring of 1998 and be completed by the fall of 1999.

Recommendation: Based on the prior policy decision of the Board of Supervisors to support the acquisition of the property for the construction of a community center to serve San Francisco's Lesbian, Gay, Bisexual and Transgender communities, approve the proposed ordinance.

COMMUNITY CENTER PROJECT

DEVELOPMENT BUDGET

	TOTAL	PER SQFT	TOTAL
ACQUISITION			
Land/Victorian Purchase	1,100,000	100.00	
TOTAL ACQUISITION	1,100,000	100.00	1,100,000
SITE IMPROVEMENTS			
Grading	25,000	2.27	
Pavement, curb, gutter, side	12,750	1.16	
Landscaping	0	0.00	
Sewer, Water, Utilities	25,000	2.27	
Retaining Wall	15,000	1.36	
TOTAL SITE IMPROVEMENTS	77,750	7.07	77,750
DIRECT CONSTRUCTION COSTS			
Rehab Construction	637,500	85.00	
New Construction	3,990,000	105.00	
Construction Contingency	370,200	8.14	
TOTAL CONSTRUCTION	4,997,700	109.84	4,997,700
SOFT COSTS			
Architect & Engineer	347,063	7.63	
Plan Checking & Approval	150,000	3.30	
Testing & Inspection	50,000	1.10	
Legal Fees	25,000	0.55	
Accounting/Audit	5,000	0.11	
Project Administration	25,000	0.55	
Marketing & Opening	50,000	1.10	
Title, Recording & Escrow	20,000	0.44	
Survey	7,000	0.15	
Landscaping Fee	15,000	0.33	
Soils/Geotechnical	45,000	0.99	
Toxic Assessment	22,000	0.48	
Soft Cost Contingency	45,000	0.99	
TOTAL SOFT COSTS	806,063	17.72	806,063
FEES			
Insurance	92,550	2.03	
Taxes	10,000	0.22	
Tenant Relocation	75,000	1.65	
Project/Constr Mgmt Fee	140,000	3.08	
TOTAL FEES	317,550	6.98	317,550
TOTAL DEVELOPMENT COSTS	7,299,063	241.60	7,299,063

Capital Budget

Items 6 and 7 - Files 27-96-12 and 27-96-12.1

Department: Airports Commission

Items: Item 6, File 27-96-12 - Resolution finding that the schedule of rates and charges for common use, as well as leased, facilities established by the Airports Commission, will be sufficient to pay for maintenance and operation expenses of the Airport and will not require any tax subsidy.

Item 7, File 27-96-12.1 - Resolution approving changes to the schedule of rates and charges for common use, as well as leased, facilities at the San Francisco International Airport as established by the Airports Commission.

Description: The proposed resolutions concern the schedule of landing fees and terminal space rental rates for common use, as well as leased, facilities at the Airport. The proposed landing fees and terminal space rental rates to be charged to the airlines have been determined using a formula that is part of the Lease and Use Agreement between the Airport and the airlines. The formula calls for annual adjustments to existing landing fees, and rental rates based on Airport surpluses or shortfalls accumulated during the previous two fiscal years in the costs centers from which the fees and rates are collected.

The proposed resolutions would approve a new schedule of Airport landing fees, rental rates and other charges and concur with a finding that such fees and rates will not require a tax subsidy for the Airport.

Proposed 1996-97 Landing Fee Schedule

The proposed landing fees are based on the approved maximum landing weights for each revenue-producing aircraft landing at the Airport. The fees are composed of a base fee per 1,000 pounds of gross aircraft landing weight, plus a surcharge added to the base fee. For the proposed landing fees in FY 1996-97, this surcharge is negative, representing a credit because of the available surpluses as calculated under the Lease and Use Agreement between the Airport and the Airlines.

The proposed fee schedule for FY 1996-97, effective July 1, 1996 and the actual fees for FY's 1995-96 and 1994-95 are as follows:

Landing Fees Per 1,000 Pounds of Gross Aircraft Landing Weight

	<u>Proposed 1996-97</u>	<u>Actual 1995-96</u>	<u>Actual 1994-95</u>
Base	\$1.271	\$1.092	\$1.016
Surcharge	<u>(0.212)</u>	<u>(0.208)</u>	<u>(0.178)</u>
Net Fees	\$1.059	\$0.884	\$0.838

As indicated above, the landing fee per 1,000 pounds of gross aircraft landing weight would increase by \$0.175 per 1,000 pounds from \$0.884 in 1995-96 to \$1.059 in 1996-97, or an increase of approximately 19.8 percent.

Minimum Fees

The Airport also plans to increase the minimum fees for landings for certain weights of aircraft in order to align such minimum fees with the weight-based fees, as follows:

For those airlines which are signatories to the Lease and Use Agreement with the Airport:

- Increase the minimum landing fee by \$4.00 from \$36.00 to \$40.00 per fixed-wing aircraft weighing less than 37,771 pounds.
- Increase the minimum landing fee by \$2.00 from \$18.00 to \$20.00 per rotary-wing aircraft weighing less than 18,886 pounds.

Surcharges on Itinerant Aircraft

Aircraft which do not have an operating permit at the Airport are known as itinerant aircraft. Itinerant aircraft pay a surcharge on their landing fees. This surcharge, as well as the minimum landing fees for itinerant aircraft at certain weights, would also be subject to increases effective, November 1, 1996, as follows:

- An increase in the itinerant surcharge of \$0.175, or approximately 18.1 percent, from a rate of \$0.969 for 1995-96 to a rate of \$1.144 for 1996-97 for each revenue landing by a commercial carrier, each landing of a general aviation fixed-wing aircraft, and each landing of a general aviation rotary-wing aircraft, unless a minimum landing fee shall apply.

- Minimum landing fees for all fixed-wing revenue aircraft and general aviation aircraft weighing less than 34,965 pounds, would be increased by \$4.00 from \$36.00 to \$40.00, and;
- Minimum landing fees for all rotary-wing revenue aircraft and general aviation aircraft weighing less than 17,483 pounds, would be increased by \$2.00 from \$18.00 to \$20.00.

Proposed 1996-97 Terminal Space Rental Rate Schedule

The terminal space rental rates at the Airport are determined by the relative value of the space. The space categories are defined as follows:

- Category I - Ticket counters and Waiting Areas at gates
Category II - Ticket counter back offices, VIP Clubs,
Baggage claim lobbies
Category III - Administrative and operations offices
Category IV - Baggage handling areas
Category V - Unenclosed or covered areas at ramp level

The proposed FY 1996-97 rates, effective July 1, 1996, and actual FY's 1995-96 and 1994-95 rates are as follows:

<u>Type of Space</u>	<u>Proposed 96-97 Rate/Sq. Ft.</u>	<u>Actual 95-96 Rate/Sq. Ft.</u>	<u>Actual 94-95 Rate/Sq. Ft.</u>
Category I	\$59.06	\$49.99	\$47.42
Category II	44.30	37.49	35.57
Category III	29.53	25.00	23.71
Category IV	14.77	12.50	11.86
Category V	5.91	5.00	4.74
Average Base Rate/Sq. Ft.	\$35.25	\$30.25	\$28.73

As indicated above, the average base rental rate per square foot would increase by \$5.00, from \$30.25 in 1995-96 to \$35.25 in 1996-97, or an increase of approximately 16.5 percent. This average base rate is calculated using a formula contained in the Lease and Use Agreement, and rates for individual categories of space are determined by using the base rate and the relative value of the space.

Additionally, the Airport plans to ;

- Increase its overall secondary rental surcharge for airlines using the Federal Inspection Service Areas, which includes just those airlines which disembark international passengers in San Francisco, by \$3,199 annually from a total of \$85,572 to \$88,771. This surcharge includes the annual Airport debt service on the shared International Terminal baggage facility and 20 percent of the cost of the City-owned lounge for in-transit passengers. The amount of \$88,771 is divided among the airlines using the Federal Inspection Service Area based on the proportion of each airlines' passengers using this area to the total number of passengers using this area:
- Decrease the airline fee per passenger using the International Terminal in-transit lounge by \$0.59 from \$2.58 to \$1.99. The fee is decreasing because the cost of operating the lounge is being divided among a larger number of passengers which are projected to use this lounge during 1996-97;
- Increase the rental fee for airlines using City-owned jet bridges (passenger tube connecting the terminal to the aircraft) from \$35 to \$74.00 per aircraft operation.

Proposed 1996-97 Outdoor Aircraft Storage Area Rate Schedule

Effective November 1, 1996, the Airport's new rate schedule for outdoor aircraft storage is as follows:

<u>Maximum Aircraft Weight in Pounds</u>	<u>First 8 hrs. or Fraction</u>	<u>Each Added 8 hrs. or Fraction</u>	<u>Monthly Rate</u>
0 to 5,000	\$20.00	\$2.50	\$133.00
5,001 to 10,000	20.00	2.50	194.00
10,001 to 15,000	25.00	4.00	243.00
15,001 to 26,000	25.00	5.00	304.00
26,001 to 50,000	29.00	6.00	364.00
50,001 to 75,000	33.00	6.00	424.00
75,001 to 150,000	40.00	11.00	604.00
150,001 or more	66.00	20.00	1,085.00

The FY 1995-96 outdoor aircraft storage area rate schedule had three monthly rates as follows: (1) \$4,000 for maximum aircraft weight of 150,000 pounds or less, (2) \$5,300 for maximum aircraft weight of 150,001 pounds to 600,000 pounds and (3) \$8,000 for maximum aircraft weight of 600,001 pounds or more. Prior to FY 1995-96, the Airport had only a single monthly

outdoor storage rate for all weights of aircraft. The Airport is proposing the new differentiated rate schedule in order to more equitably distribute storage costs among the various classes of aircraft that are parked in the new aircraft parking area at the Airport. According to the Airport, the new rates will allow the Airport to more equitably charge outdoor aircraft storage rates according to the amount of space that a given aircraft is occupying based on its size. The Airport advises that, as is the case with the present rate schedule, the new rate schedule will fully recover the aircraft outdoor storage costs.

Proposed 1996-97 Rates for Sewage/Wastewater Treatment and Water Usage

Effective November 1, 1996, the Airport plans to increase sewage/wastewater treatment and water usage rates charged to airlines, as follows:

- Increase the fee per 100 cubic foot of water delivered per month for sewage/wastewater treatment from \$3.00 to \$4.25
- Increase the fee per 100 cubic foot of water delivered per month for water usage from \$1.67 to \$2.25.

Comments:

1. According to Mr. Leo Fermin of the Airport, the proposed schedule of Airport landing fees, rental rates, storage rates, sewage/wastewater treatment and water usage rates would generate approximately \$72.6 million in revenues for FY 1996-97, which, together with other fees and revenues collected by the Airport, will be sufficient to pay for the operation and maintenance of the Airport in FY 1996-97, in accordance with the finding specified under the proposed resolution (File 27-96-12). Therefore, a tax subsidy from the City's General Fund will not be necessary. The Budget Analyst concurs with this finding .

2. Terminal space rental rates would apply retroactively to July 1, 1996, if the proposed resolution (File 27-96-12.1) is adopted. The proposed landing fee rates would also apply retroactively to July 1, 1996, with the exception of minimum landing fees and surcharges for itinerant aircraft. Because of the difficulty in retroactively collecting the minimum landing fees and surcharges for itinerant aircraft, which comprise a small portion of the total landing fees, the existing rates for these fees would remain in effect until November 1, 1996. Existing aircraft storage rates and sewage/wastewater treatment rates will also remain in effect until November 1, 1996, in order to ensure sufficient time to provide the airlines

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with the required one month notice regarding the increase in these rates.

3. All of the proposed fees, rates and surcharges are consistent with the revenues previously included on the Airport's FY 1996-97 budget.

Recommendation: Approve the proposed resolutions.

Item 8 - File 101-90-127.9

Department: Department of Public Works (DPW)

Item: Requesting release of reserved funds, for Women's Jail Building at County Jail No. 3, Earthquake Safety Program Phase II.

Amount: \$614,880

Source of Funds: 1990 Earthquake Safety Bonds

Description: The Board of Supervisors previously approved a supplemental appropriation ordinance (File 101-90-127) which allocated \$26,500,000 in 1990 Earthquake Safety Bond funds for the Earthquake Safety Program - Phase II, for various capital improvement projects. Of the \$26,500,000 a total of \$16,427,980 was placed on reserve for various contractual services pending the selection of the contractors, submission of contract cost details, and the determination of the MBE/WBE status of the contractors.

The DPW is now requesting release of \$614,880 for the purpose of funding a portion of the construction contract for the seismic upgrade of the Women's Jail Building at County Jail No. 3 located in San Bruno. The proposed funding of the construction contract is as follows:

Release of Reserved Funds	
(subject of this request)	\$614,880

Release of Reserved Funds	
(Hazard Mitigation Grant Funds from the State's Earthquake Safety and Rehabilitation Bond Act of 1990 - See Comment No. 5))	372,551

Previously appropriated 1990 Earthquake Safety Bond Funds	<u>501,369</u>
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Total Construction Contract	\$1,488,800
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Comments: 1. Mr. Jorge Alfaro of the DPW advises that the proposed contractor, MLS Construction (MBE) was the lowest of eight bidders.

2. The eight bidders and the bid amounts are as follows:

<u>Name of Company</u>		<u>Amount of Bid</u>
MLS Construction	MBE/LBE	\$1,488,800
Chiang O.M. Construction	MBE/LBE	1,504,800
CICO/R&W, JV	MBE/LBE/JV	1,657,927
Angotti & Reilly	LBE	1,638,000
Cuevas & Mannion	MBE/LBE	1,653,000
Trico Construction	WBE/LBE	1,667,000
L.C. Electric	MBE	1,709,654
A.R. Construction	MBE/LBE	1,797,322

3. Mr. Alfaro anticipates that construction will begin on the Women's Jail Building at County Jail No. 3 in September of 1996, and should be completed in July of 1997.

4. As shown in the Attachment, the total project cost for the Women's Jail Building at County Jail No. 3 is \$2,292,659, including this request for release of \$1,488,800 in reserved funds for the construction contract.

5. File No. 133-95-2.1, which would release \$372,551 in Hazard Mitigation Grant Funds to fund a portion of the proposed construction contract, is pending before the Government Efficiency and Labor Committee for hearing on August 13, 1996.

Recommendation: Release the reserved funds in the amount of \$614,880.

FUNDING

SOURCE	BUDGET ORIG	APPROVED BUDGET	APPROPRIATED	EXPENDED	ENCUMBERED	BALANCE	COST TO COMPLETE	FORECAST	OVERSIGHT/IDR
	A	B	C	D	E	F = (C-D-E)	G	H = (D+E+G)	I = (B-H)
ESP?	\$454,800	\$1,220,108	\$629,555	\$413,178	\$18,887	\$205,498	\$1,496,851	\$1,920,108	(\$40)
CLIENT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
GRANT	\$0	\$372,551	\$0	\$0	\$0	\$0	\$372,551	\$372,551	\$0
OTHER	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$454,800	\$1,220,108	\$629,555	\$413,178	\$18,887	\$205,498	\$1,868,602	\$2,292,659	(\$40)

WORK PHASE No	PROJECT PHASE	FUNDS IN JOB ORDERS	TOTAL EXPENDED	ENCUMBERED	BALANCE	COST TO COMPLETE	FORECAST	JOB ORDER SHORTFALL
		C	D	E	F = (C-D-E)	G	H = (D+E+G)	I = (C-H)
	BOA PROJECT CONTROL							
12	Project Management-PM	\$45,000	\$45,000	\$0	\$0	\$0	\$45,000	\$0
11	Programming-Planning-PP	\$55,000	\$55,000	\$0	\$0	\$0	\$55,000	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Subtotal	\$100,000	\$100,000	\$0	\$0	\$0	\$100,000	\$0
	DESIGN PHASE							
61	Structural Engineer	\$30,000	\$30,000	\$0	\$0	\$10,000	\$40,000	(\$10,000)
62	Mechanical Engineer	\$30,000	\$30,000	\$0	\$0	\$10,000	\$40,000	(\$10,000)
63	Electrical Engineer	\$30,000	\$30,000	\$0	\$0	\$10,000	\$40,000	(\$10,000)
21	Architect	\$81,240	\$81,240	\$0	\$0	\$10,000	\$91,240	(\$10,000)
				\$0	\$0		\$0	\$0
				\$0	\$0		\$0	\$0
	Subtotal	\$171,240	\$171,240	\$0	\$0	\$40,000	\$211,240	(\$40,000)
	CONSTRUCTION							
					\$0		\$0	\$0
41	Construction Contract	\$0	\$0	\$0	\$0	\$1,488,880	\$1,488,880	(\$1,488,880)
41	Construction Contingency	\$0	\$0	\$0	\$0	\$148,880	\$148,880	(\$148,880)
64	MAJCOR - EDR PH1 Abatement	\$52,257	\$52,257	\$0	\$0	\$0	\$52,257	\$0
64	CST - EDR PH1 Abatement	\$27,033	\$27,033	\$6,323	\$0	\$0	\$27,033	\$0
				\$0	\$0		\$0	\$0
	Subtotal	\$79,310	\$79,310	\$6,323	\$0	\$1,637,680	\$1,716,990	(\$1,637,680)
	CONSTRUCTION SERVICES							
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
32	Bureau of Construction Management-CM	\$80,000	\$9,022	\$0	\$70,978	\$143,978	\$153,000	(\$73,000)
01	Construction Administration-AD	\$40,000	\$14,387	\$0	\$25,613	\$25,613	\$40,000	(\$0)
	PG&E Power and Meter Hook-up	\$0	\$0	\$0	\$0	\$9,151	\$9,151	(\$9,151)
	Don Todd Associates - various	\$40,000	\$19,436	\$4,564	\$16,000	\$0	\$24,000	\$16,000
	Subtotal	\$160,000	\$42,845	\$4,564	\$112,591	\$178,742	\$226,151	(\$66,151)
	MISCELLANEOUS							
64	Asbestos Monitoring - BCM	\$6,113	\$1,293	\$0	\$4,820	\$12,180	\$13,473	(\$7,360)
64	KELLCO - EDR PH1 Monitoring	\$20,470	\$20,470	\$0	\$0	\$0	\$20,470	\$0
64	ACC - EDR PH2 Monitoring	\$4,335	\$4,335	\$0	\$0	\$0	\$4,335	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Subtotal	\$30,918	\$26,098	\$0	\$4,820	\$12,180	\$38,278	(\$7,360)
	PROJECT RESERVE							
81	Project Reserve	\$88,087	\$0	\$0	\$88,087	\$0	\$0	\$88,087
	Subtotal	\$88,087	\$0	\$0	\$88,087	\$0	\$0	\$88,087
	GRAND TOTAL	\$629,555	\$413,178	\$18,887	\$205,498	\$1,868,602	\$2,292,659	(\$40)

Item 9 - File 101-95-87.1

Department: Department of Public Works (DPW)

Item: Hearing requesting the release of reserved funds in the amount of \$50,000 in Gas Tax monies for the Mission Street Lighting Project.

Amount: \$50,000

Source of Funds: Surplus Gas Tax funds from a completed street resurfacing project.

Description: In June of 1996, the Board of Supervisors approved the Mission Street Lighting Project, for a total project cost of \$500,000. The purpose of the Mission Street Lighting Project is to purchase and install 80 pedestrian level street lamps on Mission Street between 16th Street and 24th Street to (1) create a safer environment for pedestrians and transit users on Mission Street, by providing greater illumination, and (2) enhance the aesthetic image of Mission Street's retail area, in order to increase pedestrian traffic and transit ridership.

In order to fund the total project amount of \$500,000, the Board of Supervisors appropriated and reserved \$50,000 in Gas Tax monies for the Department of Public Works (File 101-95-87), the subject of the proposed legislation, and authorized the DPW to apply for, accept and expend \$450,000 in Federal Highway Administration (FHWA) grant funds, placing \$400,000 on reserve (File 148-96-3). The \$50,000 from Gas Tax funds and the \$400,000 from FHWA grant funds were placed on reserve pending the selection of the construction contractor, the MBE/WBE status of the contractor, contract cost details, and submission of budget details for DPW's construction management services.

DPW is now requesting the release of the \$50,000 in previously reserved Gas Tax funds for the Mission Street Lighting Project. Ms. Tina Olson advises that the DPW has submitted a request for the release of the balance of \$400,000 in reserved funds, which is currently pending before the Government Efficiency & Labor Committee of the Board of Supervisors. The budget, including the subject request of \$50,000 in reserved funds for the Mission Street Lighting Project, is as follows:

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Construction Contractor - Kingston Constructors Inc. (See Comment No. 1)	\$535,640
Construction Contingency (10 percent)	53,564
DPW Construction Management Services (See Comment No. 3)	<u>35,979</u>
Total	\$625,183*

* The amount of \$625,183 is \$125,183 greater than the originally estimated amount of \$500,000 to complete the Mission Street Lighting Project. Ms. Tina Olson of the DPW advises that the DPW has identified additional sources of funding for the balance of \$125,183 required to complete the project (See Comment No. 4). The amount of \$50,000, which is the subject of the proposed release of reserved funds, would be used to offset the total project cost of \$625,183.

Comments:

1. Ms. Olson advises that on July 10, 1996, the DPW awarded the construction contract to the second lowest bidder, Kingston Constructors Inc., for an amount of \$535,640. Ms. Olson advises that although L.C. Electric was the lowest bidder, for an amount of \$517,700, L.C. Electric was disqualified by the Human Rights Commission (HRC) because L.C. Electric did not meet the 10 percent Disadvantaged Business Enterprise (DBE) participation requirement established by Caltrans. Ms. Olson advises that because this project is receiving FHWA grant funds, Caltrans must approve the contract award, and the contractor must meet the 10 percent DBE participation requirement established by Caltrans, either by being a Caltrans certified DBE firm, or by subcontracting with Caltrans certified DBE firms.

2. Ms. Olson advises that Kingston Constructors Inc. is not an DBE/MBE/WBE firm. However, Ms. Olson advises that Kingston Constructors Inc. is subcontracting \$182,060, or approximately 34 percent of its \$535,640 contract to a DBE and a MBE firm as follows:

<u>MBE Firm (4.9%)</u>	
Marinship Construction	\$26,060
<u>DBE Firm (29.1%)</u>	
Gilder Sleeve Electric, Inc.	<u>156,000</u>
Total Subcontractors	\$182,060

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3. The amount of \$35,979 for the DPW's construction management services will be expended as follows:

<u>Position</u>	<u>Hourly Rate</u>	<u>Total Hours</u>	<u>Total Amount</u>
5275-Sr. Landscape Architect	\$70.00	70	\$4,900
5275-Landscape Architect	60.15	100	6,015
6318-Construction Inspector	60.15	200	12,030
5210-Sr. Civil Engineer	80.55	120	9,666
1314-Public Relations Officer	52.90	38	2,010
1372-Sr. Clerk Typist	<u>33.94</u>	<u>40</u>	<u>1,358</u>
Total		568	\$35,979

4. Ms. Olson advises that although the DPW originally estimated that the entire Mission Street Lighting Project would cost approximately \$500,000, the DPW has since revised the cost of the project to \$625,183, or \$125,183 greater than the original estimate of \$500,000, based on the awarded amount of the construction contract. The Attachment, provided by the DPW, describes each of the funding sources that will be used for the balance of \$125,183 beyond the original project amount of \$500,000.

Recommendation: Approve the proposed release of reserved funds.

City and County of San Francisco

Department of Public Works
Finance and Budget Division

August 2, 1996

Ms. Michelle Ruggles
Budget Analyst Office
1390 Market St, Suite 1025
San Francisco, CA 94102

Dear Michelle:

The Department of Public Works (DPW) has identified the following \$125,183 in additional funding sources to cover the funding shortfall on the Mission Street Lighting Project:

- \$13,622 in savings from the 1972 Street Lighting Bond fund.
- \$9,585 in savings from the original planning grant that instigated this project
- \$101,976 in Gas Tax savings from various street resurfacing projects that we are in the process of closing.

As you know, we have reduced our construction management budget by \$15,917, from \$51,896 to \$35,979. To reduce it further would severely limit our ability to properly monitor this project.

To use the Gas Tax savings, we will need to submit a supplemental appropriation request to the Mayor's Office and the Board of Supervisors which will take a couple of months to process. Because the other two funding sources were appropriated for lighting projects, they do not require approvals.

To expedite this project, we will originally use Street Lighting funds budgeted for other projects that can be transferred directly to this project. As soon as we receive approval for the Gas Tax monies, we will transfer those Street Lighting funds back to their original projects.

In summary, I believe we have found a means to fund this project while maintaining our original construction schedule. If you have any questions, please call me at 558-4033.

Sincerely,

A handwritten signature in dark ink, appearing to read "Tina Olson".

Tina Olson

Transportation Finance Analyst

Memo to Budget Committee
August 7, 1996 Budget Committee Meeting

Item 10 - File 100-95-1.7

Department: Department of Human Services (DHS)

Item: Release of reserved funds in the amount of \$81,000 for the Department of Human Services for a basement construction project located at 1235 Mission Street.

Amount: \$81,000

Source of Funds: General Fund

Description: During the 1995-96 budget, the Board of Supervisors placed \$415,000 on reserve for the DHS for moving expenses and renovations associated with the relocation of DHS staff and programs from 150 Otis Street to 1650 Mission Street. In the interim, the DHS modified its plans to not only relocate staff from the 150 Otis Street site but to also relocate DHS staff and programs from City-owned property located at 170 Otis Street and from two leased sites located at 1440 Harrison Street and 1235 Mission, as follows:

<u>Program</u>	<u>Current Location</u>	<u>Proposed New Location</u>
Medi-Cal	150 Otis	1440 Harrison
Records Management	150 Otis/1235 Mission & 1440 Harrison	1235 Mission
Administration	170 Otis	170 Otis/1650 Mission
Investigation	170 Otis	1650 Mission/1440 Harrison
Adult Services	170 Otis	1650 Mission
Family/Childrens Services	1440 Harrison	170 Otis

The DHS reports that on or about August 5, 1996, all staff and programs will have relocated to their new sites except for the Medi-Cal program, which is scheduled to be moved by November of 1996.

The Budget Committee previously released \$334,000 of the \$415,000 in reserved funds to pay for the costs associated with the relocation of the DHS staff from the above-noted sites (File 100-95-1.6). At the same time, the Budget Committee continued to reserve \$81,000 for basement construction work at the 1235 Mission Street site, pending DHS's submission of cost details, selection of a contractor and the MBE/WBE status of the contractor.

BOARD OF SUPERVISORS
BUDGET ANALYST

The basement construction work at 1235 Mission Street involves converting a 24,237 square foot area currently used for storage to office space and filing cabinet space for DHS's Records Management unit. Specific construction work would include installing filing cabinets, partitions, wiring, and facilities to provide accessibility to handicapped persons.

As previously noted, the 1235 Mission Street site is a leased facility. Under the terms of the lease agreement, all construction costs must be paid by the lessee, which in this case is DHS. The DHS advises that the owner of the building at 1235 Mission Street, through its management firm, Barker Pacific Group, has hired two contractors, John Cressa and Sons and Donald S. Mac Lean Inc. to perform the necessary construction work.

The DHS reports that the total estimated cost of construction services is now \$105,483.30 or \$24,483.30 more than the original estimated amount of \$81,000, which is the subject of this report. According to the DHS, the primary reason for the increase is because the original estimate did not include monies to pay for construction of handicapped accessible facilities, which were subsequently determined to be required. Additionally, the DHS advises that the original design costs of \$7,170, which were previously appropriated in DHS's 1996-97, have also increased by \$862.50 from \$7,170 to \$8,032.50 as a result of the additional construction work required, resulting in a total outstanding balance of \$25,345.80 (\$24,483.30 plus \$862.50). The DHS advises that the \$25,345.80 balance will be paid for by available funds in the DHS's previously approved existing facilities maintenance budget.

Budget:

The \$105,483.30 for the construction services, which are the subject of this report, would be expended as follows:

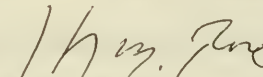
Construction Services

Construction Contract (John Cressa and Sons)	\$70,984.00
Disability Access Work (Donald S. Mac Lean, Inc.)	15,580.00
Contingency	4,729.83
Construction Administration (Barker Pacific Group)	<u>14,189.47</u>
Total Construction	\$105,483.30

Memo to Budget Committee
August 7, 1996 Budget Committee Meeting

Comment: Attached is the cost estimate, provided by Barker Pacific Group, for the entire basement construction project, which now totals \$113,515.80 (\$105,483.30 for construction services plus \$8,032.50 for design).

Recommendation: Approve the proposed release of reserved funds in the amount of \$81,000.


Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Kaufman
Supervisor Bierman
President Shelley
Supervisor Alioto
Supervisor Ammiano
Supervisor Brown
Supervisor Katz
Supervisor Leal
Supervisor Teng
Supervisor Yaki
Clerk of the Board
Controller
Margaret Kisliuk
Paul Horcher
Ted Lakey



Mr. Jeff Sheahan
Manager, Support Services
Department of Social Services
P.O. Box 7988
San Francisco, Ca 94120

June 25, 1996

Re: 1235 Mission Basement Construction Project

Dear Jeff:

As per our telephone conversations yesterday regarding the referenced job, the following represents the current cost estimate and other details pertaining to the project.

On Monday, June 24, 1996, Mike Ott, the project architect, obtained the demolition permit so that we could move forward with this project. Mike also received what he believed to be the City's blessing to proceed with the exterior sidewalk ramping work in order to fully satisfy the ADA requirements. As was mentioned in the Architect's letter dated June 13, 1996, you are obligated to spend 20% of the construction cost above and beyond the actual cost of the basement work toward accessibility upgrades. As you know, the building was in compliance with all building codes (federal, state and municipal) at the time when your occupancy permit was originally issued in 1992. Up to date ADA compliance is an issue with the City only when a new construction permit is requested. Thus, it is only because of the Department of Social Services' necessity to expand into this area that the new ADA requirements have been triggered. Please note the following estimated costs pertaining to this project:

Architectural fees (original agreement plus revision)	\$8,032.50
Construction Contract	70,984.00
Additional fees to perform ADA survey	\$ 1,520.00
ADA Construction (DSM's hard number for the Main Entry Handicap Access)	<u>14,060.00</u>
Subtotal ADA	15,580.00
Construction Administration (15%) Barker Pacific Group	14,899.47

100 FIRST PLAZA
A PROJECT OF BARKER PACIFIC GROUP
100 FIRST STREET SUITE 2200
SAN FRANCISCO, CA 94105
415/495-7000 FAX: 415/495-7008

Note: The Budget Analyst has modified the format of the budget contained in this memo and deleted information not pertaining to the budget details.

1235 basement construction
Page 2

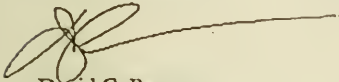
5 % Contingency
(to cover any overtime costs associated
with the Main Entry Handicap Access) .

4,729.83

TOTAL

\$113,515.80

Very truly yours,



David C. Parsons
Senior Property Manager



Approved by:

Title: MANAGER, SUPPORT SERVICES

Date: 6/25/96

cc: Richard Johnson
Michael Barker

BOARD of SUPERVISORS



401 Van Ness Avenue, Room 308
San Francisco 94102-4532
554-5184

August 8, 1996

DOCUMENTS DEPT.

AUG - 8 1996

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NOTICE OF CANCELLED MEETING

BUDGET COMMITTEE

NOTICE IS HEREBY GIVEN that the regularly scheduled meeting of
the Budget Committee for Wednesday, August 14, 1996, at 1:00 p.m.,
has been cancelled.

A handwritten signature in cursive script, reading "John L. Taylor".
John L. Taylor
Clerk of the Board

POSTED: August 8, 1996

CALIFORNIA NEWSPAPER SERVICE BUREAU, INC.:
PLEASE HAVE THIS AD PUBLISHED IN THE
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(VETERANS BUILDING, ROOM 410
(SAN FRANCISCO, CA 94102

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AUG 27 1996

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NOTICE IS HEREBY GIVEN that the regularly scheduled meetings of
the Budget Committee for Wednesday, August 21, and Wednesday, August
28, 1996, have been cancelled.

The next regular meeting of the Budget Committee will be held on
Wednesday, September 4, 1996, at 1:00 p.m., Veterans Building, Room 410,
401 Van Ness Avenue.

08/16/95 - 1t - JEAN LUM, ACTING CLERK OF THE BOARD

NOTICE OF CANCELLED MEETINGS
BUDGET COMMITTEE
S.F. BOARD OF SUPERVISORS
401 VAN NESS AVENUE
VETERANS BUILDING, ROOM 410
SAN FRANCISCO, CA 94102

NOTICE IS HEREBY GIVEN that the
regularly scheduled meetings of the
Budget Committee for Wednesday
August 21, and Wednesday, August 28
1996, have been cancelled.
The next regular meeting of the Budget
Committee will be held on Wednesday,
September 4, 1996, at 1:00 p.m., Veter-
ans Building, Room 410, 401 Van Ness
Avenue
JEAN LUM, ACTING CLERK OF THE
BOARD
CNS1405711 August 16, 1996

MINUTES

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REGULAR MEETING
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

0.07
/96
WEDNESDAY SEPTEMBER 4, 1996 - 1:00 P.M.

VETERANS BUILDING
401 VAN NESS AVENUE
ROOM 410

MEMBERS: SUPERVISORS TOM HSIEH, BARBARA KAUFMAN, SUE BIERMAN

CLERK: GREGOIRE HOBSON

TIME MEETING CONVENED: 1:12 P.M.

RELEASE OF RESERVED FUNDS

1. File 101-94-34.1. [Reserved Funds, Superior/Municipal Courts] Consideration of release of reserved funds, Superior and Municipal Courts (Courthouse Construction Funds), in the amount of \$1,073,666 to pay miscellaneous costs associated with the non-construction aspects of the new Civic Center Courthouse. (Superior Court)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Alan Carlson, Trial Court Administrator. IN SUPPORT: None.
OPPOSED: None.

ACTION: HEARING HELD. RELEASE OF \$1,073,666 APPROVED. FILED.

VOTE: 3-0.

2. File 101-95-69.1. [Reserved Funds, Superior/Municipal Courts] Consideration of release of reserved funds, Superior and Municipal Courts (Courts' Special Revenue Fund), in the amount of \$762,398 for cabling of the building, furnishings, fixtures and equipment, for the new Civic Center Courthouse. (Superior Court)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Alan Carlson, Trial Court Administrator. IN SUPPORT: None.
OPPOSED: None.

ACTION: HEARING HELD. RELEASE OF \$762,398 APPROVED. FILED.

VOTE: 3-0.

3. File 101-95-41.1. [Reserved Funds, Recreation and Park Department] Consideration of release of reserved funds, Recreation and Park Department (General Fund), in the amount of \$250,000, for architectural and engineering services of Tennebaum-Manheim Engineers for the design of the reconstruction of the Conservatory of Flowers. (Recreation and Park Department)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Ernie Prindle, Recreation and Park Department. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RELEASE OF \$250,000 APPROVED. FILED.

VOTE: 3-0.

4. File 94-91-8.10. [Reserved Funds, Municipal Railway] Consideration of release of reserved funds, Municipal Railway (Federal Grant), in the amount of \$90,000 to continue the implementation of the Station Agents Booths Project. (Municipal Railway)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: CONSIDERATION CONTINUED TO SEPTEMBER 18, 1996, MEETING.

VOTE: 3-0.

5. File 101-95-61.2. [Reserved Funds, Fire Department] Consideration of release of reserved funds, Fire Department (1986 Fire Protection Bond accrued interest), in the amount of \$36,300, to fund the construction services of E. Mitchell, Inc., at AWSS facilities at California Legion of Honor for the installation of a suction hydrant at Cistern No. 2, and at Indiana Street for the installation of high Pressure hydrants. (Fire Department)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RELEASE OF \$36,300 APPROVED. FILED.

VOTE: 3-0.

FISCAL/TAXES

6. File 101-96-8. [Appropriations Limit, Fiscal Year 1996-97] Resolution establishing the appropriations limit for fiscal year 1996-97 pursuant to California Constitution Article XIII B. (Controller)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Ed Harrington, Controller. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

7. File 74-96-1. [Tax Rate Setting, CCSF, Fiscal Year 1996-97] Ordinance providing revenue and levying taxes for City and County purposes for the fiscal year ending June 30, 1997. (Controller) RO #96037

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Ed Harrington, Controller; Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

8. File 74-96-2. [Tax Rate Setting, SFUSD, Fiscal Year 1996-97] Ordinance providing revenue and levying taxes for San Francisco Unified School District purposes for the fiscal year ending June 30, 1997. (Controller) RO #96038

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Ed Harrington, Controller; Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

9. File 74-96-3. [Tax Rate Setting, SF Community College, Fiscal Year 1996-97] Ordinance providing revenue and levying taxes for San Francisco Community College District purposes for the fiscal year ending June 30, 1997. (Controller) RO #96039

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Ed Harrington, Controller; Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

10. File 101-96-2.1. [Amend Annual Appropriation Ordinance, Fiscal Year 1996-97] Ordinance amending the Annual Appropriation Ordinance for fiscal year 1996-97, File No. 101-96-2, Ordinance No. 297-96, giving effect to revenue changes and adjusting appropriations to meet the requirements of the Art Commission pursuant to Charter Section 16.106, and adjusting appropriations to meet the requirements of the Airport, as a prerequisite to levy a tax. (Controller) RO #96040

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Ed Harrington, Controller; Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

11. File 266-96-1. [Tax and Revenue Anticipation Notes] Resolution approving and authorizing the borrowing of funds for fiscal year 1996-1997 and the issuance and sale of City and County of San Francisco 1996-1997 Tax and Revenue Anticipation Notes therefor; approving Official Notice of Sale of such notes and authorizing the distribution thereof; approving Notice of Intention to Sell such notes and authorizing the publication thereof; authorizing the public sale of such notes; approving the Official Statement relating to such notes; authorizing the appointment of the Paying Agent in connection with the issuance of such notes; and authorizing other official actions in connection therewith. (City Administrator)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO SEPTEMBER 11, 1996.

VOTE: 3-0.

FEE

12. File 188-96-4. [Water Department Fees] Ordinance approving a schedule of fees for short-term uses of San Francisco Water Department lands, rights-of-way, and other real properties. (Public Utilities Commission)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

GENERAL

13. File 199-96-3. [Transfer of 1991 Ford Van] Resolution authorizing the City and County of San Francisco to transfer title of a 1991 Ford Van (Equipment Number 169505) to Mount St. Joseph-St. Elizabeth. (Department of Human Services)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

MEETING ADJOURNED: 2:00 P.M.

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

August 30, 1996

TO: Budget Committee

FROM: Budget Analyst *Recommendations for meeting*

SUBJECT: September 4, 1996 Budget Committee Meeting

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Items 1 and 2 - Files 101-94-34.1 and 101-95-69.1

Departments: Trial Courts
City Administrator

Items: Item 1, File 101-94-34.1 - Release of reserved funds for the Trial Courts, in the amount of \$1,073,666, for costs associated with the new Civic Center Courthouse project.

Item 2, File 101-95-69.1 - Release of reserved funds for the Trial Courts, in the amount of \$762,398 for costs associated with the new Civic Center Courthouse project.

Amount: \$1,073,666 (File 101-94-34.1)
762,398 (File 101-95-69.1)
\$1,836,064 Total

Source of Funds: Courthouse Construction Fund - These funds consist of a surcharge on civil and probate filing fees, and parking/traffic fines as follows: (1) First filing - Superior Court - \$50, (2) First filing - Municipal Court - \$10 and (3) Parking fines - \$1.50.

Description: **File 101-94-34.1**

The Board of Supervisors previously approved a supplemental appropriation ordinance appropriating \$2,000,000 for costs associated with the new Civic Center Courthouse project (File 101-94-34) and placed the entire \$2,000,000 on reserve pending selection of contractors, the MBE/WBE status of the contractors and submission of cost details. The Trial Courts are now requesting that \$1,073,666 of the \$2,000,000 be released from reserve.

File 101-95-69.1

The Board of Supervisors previously approved a supplemental appropriation ordinance appropriating \$2,900,000 for costs associated with the new Civic Center Courthouse project (File 101-95-69) and placed the entire \$2,900,000 on reserve pending the selection of contractors, the MBE/WBE status of the contractors and submission of cost details. The Trial Courts are now requesting that \$762,398 of the \$2,900,000 be released from reserve.

Budget: A summary budget of this entire request of \$1,836,064 is as follows

Construction and Other Related Costs	\$1,014,590
Architectural/Engineering Services	331,866
Telephone/Computer Cabling	430,532
Miscellaneous Consulting Costs,	
Trustee Fees, Liability Insurance	<u>59,076</u>
Total	\$1,836,064

Comments: 1. Attachment 1 provided by the Trial Courts, through the City Administrator's Office, provides a complete detailed budget for this total request of \$1,836,064 including an explanation for each item and the amount requested for each item. As shown in Attachment 1, the Trial Courts estimate that construction of the new Civic Center Courthouse located at the corner of McAllister and Polk Streets will be substantially completed by June 25, 1997 and that it is anticipated that the new Civic Center Courthouse will become operational by August of 1997.

2. Attachment 1 also identifies the prime contractors, the amounts allocated to the contractors and the MBE/WBE status of the contractors. All of the proposed contract work for the subject request will be done by modifying existing contracts.

BOARD OF SUPERVISORS
BUDGET ANALYST

3. Attachment 2 provided by the Trial Courts shows (1) all costs for the Civic Center Courthouse Construction Project by specific category appropriated to date including this request of \$1,836,064 (2) estimated additional costs by specific category needed for the completion of the project (3) the amount and percentage of all architectural and engineering services to total construction costs and (4) all funding sources appropriated by amount to date, including this request of \$1,836,069, and all funding sources, by amount, estimated to be needed for the completion of the project. As Attachment 2 shows, the Trial Courts report that there is currently a total of \$83,032,304 available to pay for the Civic Center Courthouse project, including \$62,047,435 from Certificates of Participation (COPs) and \$20,984,869 from Courthouse Construction Funds. The total estimated cost of this project is \$82,965,799.

4. The Board of Supervisors previously approved the issuance and sale of the COPs through the San Francisco Courthouse Corporation, a non-profit agency, which was established for the purpose of issuing up to \$63 million in COPs to finance the new Civic Center Courthouse (File 97-94-56.3). COPs are a financing technique which provides long term financing through a lease or installment sales agreement. Under a lease agreement between the City and the San Francisco Courthouse Corporation, the City will lease the new Courthouse to the San Francisco Courthouse Corporation for \$1 annually. The San Francisco Courthouse Corporation, in turn, would lease the Courthouse back to the City. San Francisco Courthouse Corporation would use the City's lease payments to repay the COPs. The estimated average annual lease payments for each of the 25 years is \$3.9 million, to be paid by the City to the San Francisco Courthouse Corporation, for a total estimated cost of approximately \$97.5 million, including interest of approximately \$35,400,000. The source of funds to pay off the COPs would come from additional Courthouse Construction Fund monies estimated by the Trial Courts to accrue to the Fund over the 25-year lease period.

Recommendation: Release the reserved funds totaling \$1,836,064.



OFFICE OF THE CITY ADMINISTRATOR

WILLIE L. BROWN, JR.
MAYOR

WILLIAM L. LEE
CITY ADMINISTRATOR

August 29, 1996

Harvey Rose, Budget Analyst's Office
San Francisco Board of Supervisors
401 Van Ness, Room 308
San Francisco, CA 94102

RE: Items 1 and 2, Files 101-94-34.1 and 101-95-69.1
Request for release of reserves, Courthouse Construction Project

Dear Mr. Rose:

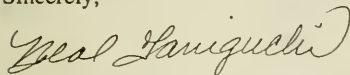
You have asked the Courthouse Construction Project to provide followup information regarding the Court's request for release of reserves in an amount totalling \$1,836,064. The following points summarize the information requested for use by the Budget Committee:

1. Budgeted uses of the request for release of reserves.
 - a) Reimbursement for reproduction/printing and bid specification reviews required for bid documents in order to procure a construction contract \$66,371
 - b) Special Inspections and Testing as required by Building Code and provided by an inspection lab testing company currently under an existing "as needed" contract through DPW. 252,000
 - c) Archeological Services. This is a reimbursement for a consultant that was required by the EIR to monitor the excavation process for artifacts. 9,788
 - d) Reimbursement for additional fencing and boarding of windows at the request of the Mayor's Office 19,528
 - e) Modify existing agreement with construction management company to cover construction delays and additional required supervision. 519,256
 - f) Disability access work: Modify existing handicapped lifts at the temporary courthouse at 633 Folsom to provide additional safety features. These lifts will be relocated to the new courthouse. 18,260

g)	Fund budgeted amounts for project management, and accounting and financial management to cover the remaining costs to the close of the project. Previous appropriations only covered the first half of the project and financial management costs.	\$176,963
h)	A&E services: Modify existing architectural and engineering contract to cover cost of design, construction documents, and construction administration of installation of all fixtures, furniture and equipment. This also includes the "buy back" cost of equipment installed in the temporary courthouse at 633 Folsom Street	331,866
i)	Telephone/Computer cabling: Modification to an existing contract with Rolm that will provide for installation of telecommunications cabling	430,532
j)	Trustee fees. Wells Fargo Bank is the trustee that administers and manages the COP proceeds. The City has been advised that the COP proceeds cannot pay for the trustee fees.	4,500
k)	Directors and Officers liability insurance. The City has been advised that insurance for the directors and officers of the Courthouse Financing Corporation cannot be paid from the COP proceeds	<u>7,000</u>
TOTAL		\$1,836,064

2. The construction project is 50% complete and the building is projected to be substantially complete by June 25, 1997, and ready for occupancy in August, 1997.
3. As previously reported to the Board of Supervisors, two contractors have been used during the construction phase of the project. Kulchin Condon/Marinship (MBE), a 51% MBE Joint Venture, performed the excavation, shoring and underpinning on the project. Huber, Hunt and Nichols is the general contractor responsible for the construction of the building. Huber, Hunt and Nichols has met the MBE/WBE/LBE goals set by the Human Rights Commission. The amount of the Kulchin Condon/Marinship contract is \$1,740,187 and the amount of the Huber, Hunt and Nichols contract is \$45,746,000.

Sincerely,



Neal Taniguchi
City Administrator's Office
Project Financial Manager

cc: Alan Carlson, Executive Officer, Superior Courts
Clyde Cohen, Project Manager

Courtthouse Project Summary

SOURCES:	Activity	Previously App Courtthouse Cost Funds	Expenditures To Date	Appropriations From Crise Cost Fund	This Request for Release of Reserves	Use of COFS	Revised Construction Budget
COP Proceeds							
Interest on Proceeds							
Courtthouse construction fund appropriations		\$16,084,869		\$2,990,000	\$59,965,390	\$2,082,045	\$59,965,390
Courtthouse construction reserved funds				\$3762,398	\$2,082,045	\$18,984,869 *	\$2,082,045
Total all sources		\$16,084,869		\$2,990,000	\$62,047,435	\$2,000,000 *	\$83,032,304
				\$4,990,000			
USERS							
Reserve Account			\$4,824,784		\$4,824,784		\$4,824,784
Capitalized Interest			\$6,272,009		\$6,272,009		\$6,272,009
Cost of Insurance			\$946,482		\$946,482		\$946,482
Underwritten Discount			\$419,825		\$419,825		\$419,825
Subtotal Financing costs			\$12,463,100		\$12,463,100		\$12,463,100
Construction Sources							
		\$16,084,869		\$4,900,000	\$49,584,335		\$54,484,335
Project Costs							
Project and Construction Management		\$2,094,489	\$1,277,929	\$1,014,590	\$307,617	\$3,634,082	contains bid spec, construction manager, project management costs.
Pre construction:							
Engineering, Design, and Inspections		\$4,792,605	\$4,603,619		\$341,145	\$5,167,152	
Environmental Reviews and Permits		\$283,381	\$272,839			\$275,961	
Art design, construction and Admin.		\$250,000	\$130,943		\$344,647	\$594,647	
Site Acquisition and relocation		\$4,955,000	\$5,189,247			\$5,189,247	
Asbestos Abatement and consultants		\$422,720	\$352,096			\$464,834	
Miscel consulting and admin fees		\$380,608	\$165,785			\$652,076	Archaeological svcs, additional demolition, crane fees, liability insurance, handicapped lifts.
Demolition		\$384,878	\$278,434			\$278,434	
Furnishing fixtures and equip				\$1,868,134		\$331,866	
Tele-computer installation		\$14,400	\$0	\$269,468		\$430,532	
Subtotal, Preconstruction		\$15,578,081	\$12,270,892	\$2,137,602	\$2,193,409	\$20,576,433	
Construction - Building:							
Construction Contingency (7.5%)		\$269,338		\$1,355,297		\$2,630,018	
Excavation, shoring, and toxics abatement		\$2,237,430	\$1,740,187		\$1,274,721	\$1,750,187	
Building		\$0	\$11,208,570	\$0	\$45,746,061	\$45,746,061	
Subtotal Construction		\$2,496,768	\$12,948,757	\$1,355,297		\$50,126,266	
TOTAL Construction Project		\$16,084,869	\$25,219,649	\$3,492,899	\$49,214,191	\$70,592,699	
TOTAL Project including financing costs			\$37,682,749		\$61,677,291	\$82,965,799	

* Total available Courtthouse Construction Fund monies are \$20,984,869 including \$4,900,000 on reserve.

** \$2,900,000 is on reserve.

Item 3 - File 101-95-41.1

Department: Recreation and Park Department (RPD)
Department of Public Works

Item: Release of reserved funds in the amount of \$250,000, for architectural and engineering services for the design of the reconstruction of the Conservatory of Flowers.

Amount: \$250,000

Source of Funds: General Fund Reserve

Description: The Board of Supervisor previously approved a supplemental appropriation in the amount of \$250,000 to be used to pay for architectural and engineering services in connection with the design work for the reconstruction of the Conservatory of Flowers (File 101-95-41). At the same time, the Board placed the entire \$250,000 on reserve pending the selection of a contractor, the MBE/WBE status of the contractor and project cost details. The RPD is now requesting that the \$250,000 be released from reserve.

The Department of Public Works (DPW, through its Request for Proposal (RFP) process, has selected Tennebaum-Manheim Engineers & Architectural Resources Group, a joint venture firm, in the amount of \$276,624, to provide the necessary contract services. Tennebaum-Manheim Engineers is a WBE firm. Mr. Robert of the DPW advises that Tennebaum-Manheim Engineers & Architectural Resources Group was selected based on having received the highest points based on the criteria contained in the RFP. The requested release of reserve funds in the amount of \$250,000, would be used to pay for a portion of the \$276,624 in contract costs. According to the RPD, the balance of \$26,624 would be paid for by private donations from the Friends of Recreation and Parks' Conservatory Fund.

Comments:

1. Attachment 1 is a memo from Ms. Deborah Learner of the RPD, which includes a summary status report of the Conservatory of Flowers Reconstruction Project.
2. Attachment 2 lists the ten firms responding to the RFP, including their MBE/WBE status, for the above-noted contract services totalling \$250,000.
3. Attachment 3 lists the prime contractor and the subcontractors as well as the MBE/WBE status of the subcontractors and the percentage of MBE/WBE subcontract participation.

BOARD OF SUPERVISORS
BUDGET ANALYST

4. Attachment 4 lists the hourly rates for Tennebaum-Manheim Engineers & Architectural Resources Group and the subcontractors.

5. Attachment 5, provided by the RPD, lists existing and potential funding sources identified thus far for the Conservatory of Flowers Reconstruction Project, totaling \$6,888,452. The \$6,888,452 includes the following estimated funding sources: (1) \$6,000,000 from Federal Emergency Management Agency (FEMA) funds, (2) \$250,000 from the General Fund Reserve (subject of this request), and (3) \$638,452 from private grants and donations. According to Ms. Learner, the RPD has submitted an application for the FEMA funds. Ms. Learner advises that the RPD has estimated that this project may cost \$12 million. Ms. Learner states that the balance of approximately \$5,111,548 (\$12,000,000 less \$6,888,452) is anticipated to come from additional FEMA funds, private donations, and possibly from a bond measure. However, as of the writing of this report, the RPD could not identify the specific funding sources for the estimated balance of \$5,111,548 which might be needed to complete this project.

6. According to Ms. Learner, a total of only \$14,380, from private donations, has been expended thus far on the Conservatory of Flowers Reconstruction Project by the Friends of Recreation and Parks for payment to an outside consultant to prepare a cost report resulting from storm damage to the Conservatory of Flowers. That report was prepared by Tennebaum-Manheim Engineers & Architectural Resources Group. The subject request for releasing \$250,000, if approved, would be the only other additional funds expended to date on this project according to Mr. Learner.

7. Ms. Learner anticipates that if funding sources become available, the Conservatory of Flowers Reconstruction Project could be completed by approximately October of 1999.

Recommendation: Since the RPD has not, as yet, specifically identified the funding sources for the estimated additional potential need of \$5,111,584 to complete the Conservatory of Flowers Reconstruction Project, we consider approval of the proposed release of reserved funds in the amount of \$250,000 to be a policy matter for the Board of Supervisors.

City and County of San Francisco

Recreation and Park Department



DATE: August 22, 1996
TO: Sandy Brown Richardson
FROM: Deborah Learner, Recreation and Park Department *DL*
RE: Conservatory of Flowers

Below I have responded to questions regarding various aspects of the Conservatory project.

1. The request for qualifications was initiated by the Department of Public Works, Bureau of Architecture. Below is a listing of all architectural/engineering firms which responded together with hourly rates for selected respondents and MBE/WBE status. As the request was for qualifications, estimated hours and hourly rates and amounts proposed were not a requirement.
2. Attached is a spreadsheet showing funds that have either been donated or appropriated to date. City funds appropriated to date include the \$250,000 that is the subject of this request for release of reserve. All other funds received to date are in the form of donations that are held in the Friends of Recreation and Parks Conservatory fund or by the San Francisco Garden Club.

Additional funds will be needed to fund preparation of plans and specifications and the actual restoration of the Conservatory. It is not determined at this time what the total project cost will be, but it has been estimated that costs may amount to approximately \$12 Million. The initial investigation to be done by the architectural/engineering team will result in the preparation of project cost estimate which will be used to secure future funding.

It is estimated that architectural and engineering services will amount to approximately 20%-25% of the total construction cost. This includes design, management and inspection services on this project.

3. Project status report:
 - The selection of lead architectural/engineering firm of Tennebaum-Manheim, Engineers, in association with Architectural Resources Group, has been made. Contract negotiations between the lead A/E firm and the Bureau of Architecture are in progress.

Sandy Brown Richardson
August 22, 1996
Page 2

- : ° The Existing Conditions Survey to be carried out by the lead architectural/engineering firm through a Friends of Recreation and Parks grant is being initiated.
 - ! ° Work to be done:
 - Complete Existing Conditions Survey;
 - Develop program/master plan for facility;
 - Schematic design: materials selection; regulatory agency approval:
 - Landmarks Board
 - State Historic Preservation Office
 - Department of the Interior - National Park Service
 - Commission/community review
 - Preparation of plans and specifications; and
 - Construction contract
4. List of contractors is not available at this time as the construction contract has not been put out to bid.
5. The work will be completed by approximately October, 1999.

DL:ems

Enclosures

2150d

AUG 22 '95 01:03PM BUREAU OF ENGINEERING

City and County of San Francisco



Human Rights Commission

Office of Minority/Women Business Enterprise
Office of Contract Compliance
Office of Dispute ResolutionEdwin M. Lee
Director

March 5, 1996

Mr. Norm Karasick, City Architect
Bureau of Architecture
30 Van Ness Ave. Suite 4100
San Francisco, CA 94102

RE: Golden Gate Park Conservatory - Consultant Selection

Dear Mr. Karasick:

We are pleased to advise you that the HRC has completed its analysis of the scoring and has applied the preference points to eligible MBE/WBE/LBE firms in accordance with Chapter 12D of the San Francisco Administrative Code.

The result of HRC's application of the preference points and consequent revised ranking of the proposals is as follows.

<u>Revised Ranking</u>	<u>Name of Firm</u>	<u>Raw Score</u>	<u>Preference</u>	<u>Revised Score</u>	<u>MBE/ WBE/LBE</u>
1	Page & Turnbull/ Joseph Chow/SDE	88.8	10%	97.7	MBE
2.	Carey & Company	85	10%	93.5	WBE
3.	Tennebaum-Mannheim/ Arch. Resource Group	82.9	10%	91.2	WBE
4.	Michael Willis & Assoc.	77.3	10%	85.1	MBE
5.	Mark Cavagnero & Assoc.	80.2	5%	84.2	LBE
6.	VBN Architects	80.5	0%	80.5	NO
7.	Patrick McGrew/ Finger & Moy	73.1	10%	80.4	MBE
8	Powell & Partners	72.3	10%	79.5	MBE
9.	Gerson/Overstreet	71.2	10%	78.3	MBE
10.	Field Paoli Architects	70.2	5%	73.7	LBE

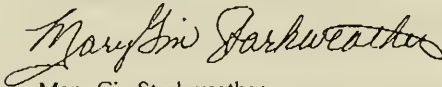


It is evident from the above ranking that Page & Turnbull/Joseph Chow/ Structural Design Engineers, an MBE prime association; Carey & Company, a WBE prime consultant and Tennebaum-Mannheim/Architectural Resources Group, a WBE prime association are the top three firms eligible for oral interviews.

Please note that under to MBE/WBE/LBE Ordinance, the awarding agency is required to provide the Director of the Human Rights Commission with a written explanation if it plans to award the contract to a consultant other than the highest ranked eligible consultant if the highest ranked eligible consultant is an MBE/WBE.

Please do not hesitate to call me at 557-4714 if you have any questions or if I can be of any further assistance. Thank you for your cooperation in this matter.

Sincerely,

A handwritten signature in cursive script that reads "Mary Gin Starkweather". The signature is fluid and written in dark ink.

Mary Gin Starkweather

Contract Compliance Officer

HRC FORM 2A: ARCHITECTURE & ENGINEERING

SECTION 1: Sub consultant Award Information

This section is to be completed for all prime consultants, and for all modifications to these proposals/contracts. All prime consultants, individual joint venture partners, sub consultants and any other vendors participating in the project must be listed. However, participation by MBE or WBE prime consultants or joint venture partners are not to be counted towards meeting the sub consultant goals. Shaded areas are for HRC/departmental office use only. Information on San Francisco County Transportation funding is to be provided by the contract awarding authority prior to Attachment 2 being distributed to proposers.

DEPT. SPEC#	PROPOSER (PRIME): Tennebaum/Manheim Engineers & Architectural Resources Group	GOAL LEVEL
FAMISDOC#	PROPOSAL AMOUNT: \$ N/A	MBE GOAL: 15%
FAMIS AWARD DATE	PROJECT NAME OR DESCRIPTION: Golden Gate Conservatory of Flowers, Golden Gate Park	WBE GOAL: 5%
VENDOR#	CONTACT PERSON: Nancy Tennebaum	OTHER GOAL (specify):
HRC STAFF PERSON	ADDRESS 414 Mason St. San Francisco PHONE: 415/772-9891	
	SF COUNTY TRANSPORTATION AGENCY FUNDED: YES/NO	
	IF YES, INDICATE % OF TOTAL CONTRACT	

J/P/S: Indicate if consultant is Joint Venture Partner, Prime or Sub.

J/P/S	MBE/WBE	NAME	SERVICES PERFORMED	AWARD AMOUNT	% OF TOTAL	% MBE	% WBE
J	WBE	Tennebaum-Manheim	Structural Engineering		37%		(37%)
J		Architectural Resources	Architecture & Conservation		35%	N/A	N/A
S	WBE	Mech. Design Studio	Mechanical Engineering		10%		10%
S	MBE	Pere O. Lapid Associates	Electrical Engineering		10%	10%	
S	WBE	Luster Construct. Man. / Cameron Construction	Cost Estimating		5%	5%	
S		Royston Hanamoto	Landscape Architecture		2%	N/A	N/A
S		Specialty Consultants	Specialized Services		1%	N/A	N/A
TOTAL CLAIMED MBE AND WBE PARTICIPATION					100%	15%	10%

I declare, under penalty of perjury under the laws of the State of California, that I am utilizing the above MBE/WBE sub consultants and sub consultant amounts as reflected in the proposal documents for this project.

Owner/Authorized Representative (Signature)

Date: February 20, 1996

Nancy Tennebaum

PRINCIPAL

Owner/Authorized Representative (Print)
NANCY TENNEBAUM

Title
Principal, Tennebaum-Manheim Engineers

SAN FRANCISCO CONSERVATORY OF FLOWERS

Hourly Rates

TENNEBAUM-MANHEIM ENGINEERS

Principal Engineer	-	\$110
Senior Engineer	-	\$90
Junior Engineer	-	\$75
CADD	-	\$65
Draftsperson	-	\$55-\$45
Administrator	-	\$45

ARCHITECTURAL RESOURCES GROUP

Principal	-	\$110
Senior Associate	-	\$90
Design Associate/Job Captain	-	\$75
CADD Operator	-	\$65
Historian	-	\$55
Designer/Draftsperson	-	\$60
Support Staff	-	\$45

MECHANICAL DESIGN STUDIO

Principal	-	\$100
Senior Engineer	-	\$85
Design Engineer	-	\$75
Designer	-	\$65
CADD	-	\$50
Draftsperson	-	\$40
Project Support	-	\$35

PETE O. LAPID & ASSOCIATES

Principal	-	\$110
Project Engineer	-	\$85
Design Engineer	-	\$65
CADD	-	\$50
Draftsperson	-	\$50
Clerical	-	\$40

LUSTER CONSTRUCTION MANAGEMENT

Project Manager	-	\$95-\$80
Utility Coordinator	-	\$90-\$80
Training Program Mgr.	-	\$90-\$80
Plans Examiner	-	\$90-\$80
Industrial Hygienist	-	\$85-\$80
Cost Engineer	-	\$85-\$75
Scheduling Engineer	-	\$85-\$75
Inspector	-	\$85-\$75
Project Engineer	-	\$80-\$65

ROYSTON HANAMOTO ALLEY & ABEY

Principal	-	\$150-\$95
Associate	-	\$95-\$80
Assistant	-	\$75-\$60
Technical Staff	-	\$65-\$45
Clerical	-	\$60-\$30
Specialty Consultants (as needed)		
Alisdair McGregor		\$160
Wayne Wilcox		\$150
Harold Harlan		\$175 (field work)
		\$135 (lab work)

Conservatory of Flowers:				Other			
Source	Pending	Requesting	Pledged	Received Construction	Received Earmarked	Received Design	Received Unrestricted
Friends							
From Conserv. Foundation							48,151.97
Frank Camochi							10,000.00
Friends as of March							45,000.00
Korel							10,000.00
Uacy/LGS			30,000.00				30,000.00
Highlower 5/13/96			5000				5,000.00
Hilachi							2,000.00
Geity Grant:		275,000.00					275,000.00
25K - surveys							
50 K - drawing/plans							
250K - construction							
Source							
Garden Club							
Donations				6,800.00			6,800.00
World Monument/AM/EX				30,000.00	20,000.00	50,000.00	100,000.00
Orchid Show Proceeds	15,000.00						15,000.00
Edie Bauer				12,500.00			12,500.00
Zelbach		30,000.00					30,000.00
Goldman/Haas							
Irvine							
Mary Crocker Trust				10,000.00			10,000.00
Other							
McClelland Auction							3,000.00
C. Found.: Eddie Bower	30,000.00						30,000.00
OES/FEIA		6,000,000.00					6,000,000.00
City Appropriation						250,000.00	250,000.00
Totals	45,000.00	6,305,000.00	35,000.00	59,300.00	20,000.00	300,000.00	124,151.97
							6,888,451.97
Source	Pending	Requesting	Pledged	Received Construction	Received Earmarked	Received Design	Received Unrestricted
Expenditures:							
FEIA Report/Friends							14,390.00
Totals							
Doc. conceit							

Item 4 - File 94-91-8.10

Department: Public Utilities Commission (PUC)
Municipal Railway (MUNI)

Item: Hearing to consider the request for the release of reserved funds in the amount of \$90,000 for the Station Agent Booth Improvement Project.

Amount: \$90,000

Source of Funds: Previously reserved surplus Federal Section 9 Capital Assistance Funds

Description: In January of 1992, the Board of Supervisors approved Resolution No. 3-92 (File 94-91-8) authorizing the Public Utilities Commission (PUC) to apply for, accept, and expend Federal Section 9 Capital Assistance Funds in the amount of \$26,819,276, and \$6,704,819 in required State and or local match funds, for a total of \$33,524,095. The total of \$33,524,095 was placed on reserve pending the selection of contractors, the MBE/WBE status of the contractors, and the submission of contract cost details. Of the \$33,524,095, \$5,381,000 was specifically reserved for fixed-facility MUNI rehabilitation projects, including the Station Agent Booth Improvement Project. Under the Station Agent Booth Improvement Project, a Heating, Ventilation and Air Conditioning (HVAC) system, and a security system were installed in each of the 16 Station Agent Booths located in the MUNI Metro system between the West Portal and Embarcadero Stations. This work was completed in May of 1994.

However, Mr. Bill Nielson of MUNI advises that due to insufficient funding, the initial HVAC system did not include a permanent condensation removal system.

Ms. Gail Bloom of MUNI advises that because MUNI realized cost efficiencies in other fixed-facility MUNI rehabilitation projects, there is currently \$90,000 in previously reserved surplus funds, available to implement a permanent condensation disposal system as part of the HVAC system.

Budget: Mr. Bill Nielson advises that the proposed installation of a permanent condensation disposal system, for the Heating, Ventilation and Air Conditioning system at the MUNI's 16 Station Agent Booths, will be performed by Department of Public Works (DPW) and MUNI personnel on an in-house

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
September 4, 1996

basis. However, Ms. Bloom advises, that, as of the writing of this report, the Department is unable to provide budget details for the proposed \$90,000 in reserved funds. Therefore, the Department has requested that the proposed release of reserved funds be continued to the Budget Committee Meeting on September 11, 1996.

Comments:

1. In the recently completed Management Audit of MUNI by the Budget Analyst, the Budget Analyst recommended that MUNI explore what steps could be implemented immediately to improve the working conditions in the Station Agent Booths, citing, for example, air conditioning malfunctions.

2. As noted above, the Department has requested that this item be continued to the Budget Committee Meeting on September 11, 1996, in order to allow MUNI additional time to provide budget details for the proposed release of reserved funds.

Recommendation: As requested by the Department, continue this item to the Budget Committee meeting on September 11, 1996.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 5 - File 101-95-61.2

Department: Fire Department

Item: Hearing to consider the release of reserved funds, Fire Department in the amount of \$36,300, to fund the construction services of E. Mitchell Inc. for the Auxiliary Water Supply System (AWSS) facilities located at the California Legion of Honor and at Indiana Street.

Amount: \$36,300

Source of Funds: 1986 Fire Protection Bond interest earnings from the Fire Protection System Improvement General Obligation Bond funds.

Description: In November of 1986, San Francisco voters approved the issuance of \$46.2 million in Fire Protection System Improvement General Obligation Bonds (Proposition A) to finance improvements to the City's Auxiliary Water Supply System (AWSS). The AWSS is a system of reservoirs, cisterns, pipelines, pump stations and fireboats which provide a source of water for fire protection.

The City sold \$31 million of these bonds in 1987 and \$15.2 million in 1991, for a total of \$46.2 million in Fire Protection system Improvement Bonds. In March of 1996, the Board of Supervisors approved a supplemental appropriation (File 101-95-61) of \$3,900,223 in accrued interest from Fire Protection System Improvement Bond funds for four categories of capital improvement projects: (1) Repair and Improve Fireboat Phoenix; (2) Motorized AWSS Control Valves; (3) AWSS Water Storage Tank Repair; and (4) Immediate Emergency Repair of AWSS Facilities. Of the \$3,900,223 previously appropriated, the Board of Supervisors placed \$3,269,850 on reserve pending the selection of contractors, the MBE/WBE status of the contractors, and the submission of contract cost details.

The Fire Department is now requesting the release of \$36,300 for a project that falls under the fourth category, Immediate Emergency Repair of AWSS Facilities. Of the \$3,269,850 previously reserved, the Board of Supervisors reserved a total of \$627,000 for Immediate Emergency Repair of AWSS Facilities, pending submission of budget details for the projects needed. Of the \$627,000 previously reserved, the Budget Committee released \$61,689 in July of 1996 (File 101-95-61.1)

BOARD OF SUPERVISORS
BUDGET ANALYST

This request of \$36,300 in reserved funds would be used to fund the construction of AWSS facilities located at the California Legion of Honor and on Indiana Street at the corners of 18th Street and 20th Street. Specifically, \$15,500 would be expended to install a suction hydrant in front of the California Legion of Honor building and a pipeline to connect the suction hydrant to Cistern No. 2 (an underground water storage tank) that is located behind the California Legion of Honor under an unpaved area which is difficult to access by Fire Department vehicles, and \$ 17,500 would be expended to replace two deteriorating fire hydrants located on Indiana Street at the corners of 18th Street and 20th Street with two high pressure hydrants.

Based on the low bid (see Comment), the Department of Public Works (DPW) has awarded the construction contract to E. Mitchell, Inc. E. Mitchell, Inc. is a WBE/LBE firm. Total funding for the project would be expended as follows:

Construction Contract	\$33,000
Contingency (10 percent)	<u>3,300</u>
Total	\$36,300

Comment: Mr. Robert Jew of the DPW states that the DPW selected E. Mitchell, Inc. as the lowest of four bids through an Invitation for Bids process. Attached is a list of the contract bidders and the amounts bid for the proposed construction contract.

Recommendation: Approve the proposed release of \$36,300 in reserved funds.

City and County of San Francisco
Department of Public Works

Tabulation of Bids

IFICATION NO.:

Various Locations - Hydrants Installation

RECEIVED:

7/23/86

		<u>Base Bid</u>
ERS:	E. Mitchell	\$33,000
	Clarke Construction Co.	LBE 36,250
	A. Ruiz Construction Co.	MBE/LBE 45,600
	Marinship Construction Services	MBE/LBE 48,000
	Average Bid:	\$40,212
	Engineer's Estimate	38,000
	% of Engineer's Estimate:	106%

RENT LOW BIDDER:

E. Mitchell Inc.
993 Tennessee
San Francisco, CA 94107-3013

Tel: (415) 826-2929

ONTRACTORS:

None for this informal contract

Item 6 - File 101-96-8

Department: Controller

Item: Resolution establishing the City and County's appropriations limit for FY 1996-97 pursuant to Article XIII B of the California Constitution.

Description: The proposed resolution would establish \$1,202,682,177 as the 1996-97 net appropriation limit or Gann spending limit for the City and County of San Francisco as required by Article XIII B of the California Constitution.

On November 6, 1979, California voters approved Proposition 4, known as the Gann Initiative, which added Article XIII B to the California Constitution. Article XIII B limits the growth of appropriations from the proceeds of taxes of the State of California and local governments to the percentage of change in population and the lesser of the percentage change in the cost of living or in per capita personal income. The State Government Code requires that each local government establish its appropriation limit (Gann Limit) by resolution each year.

The City's net Gann Limit must be adjusted for Trial Court Funding revenues. A transfer of \$15,987,000 of the City's Gann Limit must be made to the State of California in order to receive a State Trial Court Funding Block Grant of an equivalent amount. The State requires that the City and County Gann Limit be decreased by the net revenue amount that the City and County will receive from the State for Trial Court Funding so that the State Gann Limit can be increased by that same amount.

The Controller has computed the 1996-97 Gann Limit for the City and County of San Francisco as follows (percentages and computed amount have been rounded by the Controller):

1995-96 Gross Gann Limit	\$1,159,080,666
Adjusted by:	
Increase in Cost of Living	4.67%
Increase in Population	0.45%
1996-97 Gross Gann Limit	\$1,218,669,177*
Less Trial Court Funding Revenues	<u>(15,987,000)</u>
1996-97 Net Gann Limit	\$1,202,682,177

* 1.0467 times 1.0045 equals 1.051410 times \$1,159,080,666

BOARD OF SUPERVISORS
BUDGET ANALYST

The Controller's Office monitors revenues affected by the Gann Limit throughout the year. At year end, a final computation is prepared comparing actual proceeds of taxes to the Gann Limit. At that time, two tests must be met. First, all actual proceeds of taxes must be below the Gann Limit; and second, all actual proceeds of taxes collected must be appropriated. If either test is not met, according to Article XIII B, excess revenues collected must be returned to the taxpayers within two years.

The amount appropriated in the City's FY 1996-97 budget that is subject to the Gann Limit is \$941,619,277, which is \$261,062,900 less than the net 1996-97 Net Gann Limit of \$1,202,682,177. In accordance with the Annual Appropriation Ordinance, all other 1996-97 tax proceeds are appropriated to the City's General Fund General Reserve, which is used as a revenue source (a) to fund supplemental appropriations during the current fiscal year and (b) to fund the City's budget for the next fiscal.

Comments:

1. The Gann Limit was first applied in 1980-81 using the actual 1978-79 appropriations that would have been subject to the limit, had it existed then, as the base year (as called for by Article XIII B of the California Constitution). The 1978-79 base was adjusted for changes in per capita personal income, cost of living and population to obtain the 1980-81 limit. In each successive year, the prior year's limit was used as the base for computation of the new limit.
2. State Proposition 111, approved by the voters in June 1990, made several changes to the Article XIII B (3) which are reflected in the City's computations including an adjustment to exclude appropriations for "Qualified capital outlay as defined by the legislature" from proceeds of taxes. This results in a reduction of \$52,099,545 for FY 1996-97, from appropriations of proceeds of taxes subject to the limit.
3. Based on the City Attorney's memorandum of opinion of June 14, 1988, the City is excluding Court and Federal mandates from appropriations subject to the appropriations limit. The City Attorney's Office has previously advised that the exclusion of Court and Federal mandates is consistent with the meaning of Article XIII B. No previous legal challenges have been filed questioning this interpretation. The four mandates for FY 1996-97 totaling \$70,708,826, that are identified by a survey of all City departments and verified by the Controller's Office, are as follows:

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
September 4, 1996 Budget Committee Meeting

Jail Overcrowding	\$18,273,939
Police Consent Decree	43,715,218
Firefighters Consent Decree	5,009,747
Federal Resource Conservation Act (Toxics)	<u>3,709,922</u>
Total Court and Federal Mandates	\$70,708,826

Recommendation: Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

Items 7, 8 and 9 - Files 74-96-1, 74-96-2 and 74-96-3

The proposed ordinances would establish the Fiscal Year 1996-97 Property Tax rates for the City and County of San Francisco (File 74-96-1), for the San Francisco Unified School District (File 74-96-2) and for the San Francisco Community College District (File 74-96-3). The rate proposed for the City's general Property Tax rate of \$1.00 per \$100 of assessed valuation is the maximum allowable rate. The total Property Tax rate of \$1.183, as calculated by the Controller, includes bond interest and redemption charges. The proposed Fiscal Year 1996-97 Property Tax rate reflects an increase of \$0.019 for each \$100 of assessed valuation over the Fiscal Year 1995-96 tax rate of \$1.164. The Controller's Office reports that the increase in the Property Tax rate for Fiscal Year 1996-97 reflects higher debt service requirements for the City's General Obligation bonds.

The Fiscal Year actual 1995-96 Property Tax rates and the proposed Fiscal Year 1996-97 Property Tax rates are as follows:

	Actual Fiscal Year 1995-96 Rates	Proposed 1996-97 Rates	Increase (Decrease)
<u>General Tax Rates</u>			
City and County of San Francisco:			
General Fund	\$0.57951319	\$0.57951319	—
Children's Fund	.02500000	.02500000	—
Open Space Acquisition Fund	.02500000	.02500000	—
County Superint. of Schools	.00097335	.00097335	—
Library Preservation Fund	.02500000	.02500000	—
S.F. Unified School District	.28307417	.28307417	—
S.F. Community College District	.05302862	.05302862	—
Bay Area Air Quality Management District	.00208539	.00208539	—
Bay Area Rapid Transit District	.00632528	.00632528	—
Subtotal, General Tax Rate	<u>\$1.00</u>	<u>\$1.00</u>	—
<u>Rates for Bonded Indebtedness</u>			
City and County of San Francisco	.13674375	\$.15637530	\$0.01963155
S. F. Unified School District	.00425625	.00412470	(.00013155)
Bay Area Rapid Transit District	.02300000	.02250000	(.00050000)
Subtotal, Bonded Indebtedness	<u>\$0.164</u>	<u>\$0.183</u>	<u>\$0.019</u>
Total Combined Tax Rate	<u>\$1.164</u>	<u>\$1.183</u>	<u>\$0.019</u>

As compared with the current Fiscal Year 1995-96 \$1.164 Property Tax rate, the Fiscal Year 1996-97 proposed \$1.183 Property Tax rate will have the following effect on a tax bill for a \$300,000 single facility residence:

	Fiscal Year
	<u>1995-96</u>
Assessed Value (1994-95)	\$296,472
Add Annual 1.19% Increase	<u>3,528</u>
Subtotal	\$300,000
Less Homeowners Exemption	<u>7,000</u>
Total	\$293,000 divided by \$100 x \$1.164 = \$3,410.52

	Fiscal Year
	<u>1996-97</u>
Assessed Value (1995-96)	\$300,000
Add Annual 1.01% Increase*	<u>3,030</u>
Subtotal	\$303,030
Less Homeowners Exemption	<u>7,000</u>
Total	\$296,030 divided by \$100 x \$1.183 = \$3,502.03

Net Increase in Property Tax Bill for Fiscal Year 1996-97 \$91.51

* The State Board of Equalization has limited the inflationary rate increase to 1.01% instead of 1.19% which had been allowed as the maximum inflation rate in the prior year.

As shown above, homeowners would experience an increase due to inflation at a 1.01 percent rate, as allowed under Proposition 13. In the example reflected above, the inflationary increase results in additional Property Taxes of \$35.27 and the proposed increase in the Property Tax rate of \$.019 results in an additional Property Tax increase of \$56.24 (\$91.51 less \$35.27), for a total estimated Property Tax increase of \$91.51.

Recommendation

Approve the proposed ordinances.

Item 10 - File 101-96-2.1

The proposed ordinance would amend the previously approved Fiscal Year 1996-97 Annual Appropriation Ordinance (AAO) (File No. 101-96-2), giving effect to revenue changes, adjusting appropriations to meet the requirements of the Art Commission, and adjusting appropriations to meet the requirements of the Airport, as a prerequisite to levy the Property Tax rate. The proposed ordinance would make the following revenue and expenditure adjustments to the Fiscal Year 1996-97 AAO:

- Increase previously appropriated funds in the amount of \$5,189 to the Art Commission for the Municipal Symphony Orchestra (one-eighth of one cent per \$100 of assessed valuation) as required by Charter Section 16.106.
- Reduce the revenues for the Airport by \$8,700,000 based on a change in the landing fee revenues.
- Appropriate additional funds in amount of \$11,153,879 to the General City Responsibilities' budget for Debt Service based on actual requirements.

Comments

1. The Fiscal Year 1996-97 budget included \$712,020 for the Art Commission expenditures for the Municipal Symphony Orchestra. The proposed ordinance would increase this appropriation by \$5,189 to \$717,209 for Fiscal Year 1996-97. The proposed adjustment would have a net effect of decreasing the General Fund Reserve by \$5,189 from \$14,659,847 to \$14,654,658.

2. The Fiscal Year 1996-97 budget included \$27,816,000 of revenue for the Airport, based on projected estimates for airline landing fees. Based on a new schedule of airline landing fees, adopted by the Airports Commission on July 2, 1996 (Resolution No. 96-0182), the proposed ordinance would reduce the estimate for airline landing fee revenues by \$8,700,000 to \$19,116,000. This proposed adjustment would have a net effect of decreasing the overall Airport Operating Revenues in the Annual Appropriation Ordinance for Fiscal Year 1996-97 and would have no impact on the General Fund.

3. The increase in funding for debt service of \$11,153,879 would be funded from Property Tax revenues which are outside the one percent Property Tax limitation and would have no effect on the General Fund Reserve.

Recommendation

Approve the proposed ordinance.

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07 Memo to Budget Committee
 September 4, 1996

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Item 11 - File 266-96-1

Revised

Departments: City Administrator
 Controller

Item: Resolution approving and authorizing the borrowing of funds for FY 1996-97 and the issuance and sale of City and County of San Francisco 1996-97 Tax and Revenue Anticipation Notes (TRANS); approving official notice of sale of such notes and authorizing the distribution of said notes; approving notice of intention to sell such notes and authorizing the publication of said notes; approving official statement relating to such notes; authorizing the delegation of the appointment of certain parties in connection with the issuance of such notes; and authorizing other special actions in connection therewith.

Amount: Not to exceed \$100 million

Description: The City's revenues, such as Property Tax revenues, are not received at a uniform level throughout the year, but rather are received at the times when the different sources of revenues become due and payable to the City. In contrast, the City's expenditures, such as payroll expenditures, tend to be more uniform throughout the year.

Tax and Revenue Anticipation Notes (TRANS) are short-term (not longer than 15 months) tax exempt securities which are authorized pursuant to the California Government Code and which may be used to "smooth" the City's cash flow. The proceeds from the sale of these notes would be used to pay the City's expenses, when such expenses become due, in anticipation of the City's receipt of taxes, income, revenues, cash receipts, and other monies which will be paid at a later date to the City's General Fund.

The proposed resolution would authorize and approve the issuance and sale of TRANS for FY 1996-97 in an amount not to exceed \$100 million. According to the proposed legislation, the notes will be sold on September 25, 1996 and issued on or before December 1, 1996. The Controller reports that \$50 million of the requested authorization of up to \$100 million in TRANS is planned to be sold and issued.

The proposed resolution would also approve the City's Official Statement relating to the proposed TRANS; authorize the distribution of an official notice inviting bids in connection with the notes; authorize the public sale of the

BOARD OF SUPERVISORS
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Item 11 - File 266-96-1

Departments: City Administrator
Controller

Item: Resolution approving and authorizing the borrowing of funds for FY 1996-97 and the issuance and sale of City and County of San Francisco 1996-97 Tax and Revenue Anticipation Notes (TRANs); approving official notice of sale of such notes and authorizing the distribution of said notes; approving notice of intention to sell such notes and authorizing the publication of said notes; approving the trust agreement, the letter of credit, and the letter of credit agreement and official statement relating to such notes; authorizing the delegation of the appointment of certain parties in connection with the issuance of such notes; and authorizing other special actions in connection therewith.

Amount: Not to exceed \$100 million

Description: The City's revenues, such as Property Tax revenues, are not received at a uniform level throughout the year, but rather are received at the times when the different sources of revenues become due and payable to the City. In contrast, the City's expenditures, such as payroll expenditures, tend to be more uniform throughout the year.

Tax and Revenue Anticipation Notes (TRANs) are short-term (not longer than 15 months) tax exempt securities which are authorized pursuant to the California Government Code and which may be used to "smooth" the City's cash flow. The proceeds from the sale of these notes would be used to pay the City's expenses, when such expenses become due, in anticipation of the City's receipt of taxes, income, revenues, cash receipts, and other monies which will be paid at a later date to the City's General Fund.

The proposed resolution would authorize and approve the issuance and sale of TRANs for FY 1996-97 in an amount not to exceed \$100 million. According to the proposed legislation, the notes will be sold on September 25, 1996 and issued on or before December 1, 1996. The Controller reports that \$50 million of the requested authorization of up to \$100 million in TRANs is planned to be sold and issued.

The proposed resolution would also approve the City's Official Statement relating to the proposed TRANs; authorize the distribution of an official notice inviting bids in connection with the notes; authorize the public sale of the

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notes; and authorize other official actions necessary in connection with the issuance and sale of the TRANs.

The proposed resolution provides that the interest rate which the City would pay on the TRANs could not exceed 8 percent. Although the current estimated interest rate to be paid by the City is 4.5 percent, according to the City Administrator, the actual interest rate to be paid by the City will be determined after bids for the notes have been received, with the notes being issued to the bidder offering the lowest interest cost to the City. The TRANs would reach maturity on or about October 8, 1997, at which time they would be required to be repaid in full.

The Controller reports that the proceeds from the sale of the TRANs notes would be invested, until such time as the proceeds were needed, to meet the City's expenditure requirements. The Controller estimates that additional General Fund net interest income would be realized in FY 1996-97 by investing the proceeds of the TRANs, during those time periods when the TRANs proceeds would not be fully needed to pay the City's bills. These additional revenues to the City would result from investing \$50 million in proceeds from the sale of TRANs at an estimated interest rate of 5.5 percent, which would be 1 percent higher than the interest rate of 4.5 percent which the Controller estimates the City will pay out on the TRANs in order to borrow the funds.

Comments:

1. In accordance with the Charter, the City currently is required to maintain a Cash Reserve Fund for use in alleviating cash flow shortages throughout any fiscal year. The City annually allocates funds to the Cash Reserve Fund equal to 10 percent of the current or prior Property Tax levy. Ms. Teresa Chow of the Controller's Office reports that the Cash Reserve Fund is currently \$62.3 million.

2. The amount of TRANs which can be sold is based on the City's maximum cumulative deficit of expenditures over revenues which is projected to occur within the first six months after the notes are issued, plus the City's historically and customarily maintained reasonable working capital reserve.

3. Ms. Chow reports that the General Fund generally experiences a "maximum deficit" of expenditures over revenues in November of each fiscal year, before the first installment of the Property Tax revenues (due December 10 of each year) has been received. The amount of TRANs which

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will be issued is based on the Controller's projections of the maximum cash deficit which is anticipated to occur in November, 1996, plus the City's maintained reasonable working capital reserve as described above. Ms. Chow reports that the City would be eligible to issue TRANs of approximately \$50 million in FY 1996-97, based on cash flow projections for the FY 1996-97 and the Federal tax regulations.

4. While the proposed legislation would authorize an issuance of not to exceed \$100 million in TRANs, as previously noted, Mr. Harrington reports that only \$50 million in TRANs would be issued, an amount which the Controller deems to be prudent, based in part on consultations with legal and financial consultants. Mr. Harrington also states that independent bond-rating agencies, which evaluate the City's financial status, recognize that the use of TRANs is a prudent way for the City to manage its cash flow needs.

5. As previously noted, the proposed resolution provides that the interest rate to be paid by the City on the proposed TRANs could not exceed 8 percent, but that the current estimated interest rate to be paid by the City is 4.5 percent. The Budget Analyst notes that, at an interest rate of 4.5 percent on a principal amount of \$50 million, the City's total interest costs over one year would be approximately \$2.3 million. The Controller anticipates that the FY 1996-97 TRANs will be issued in September, 1996 (as noted above, the proposed legislation provides for an issuance on or before December 1, 1996). Therefore, the Controller estimates that the City will incur approximately nine months of interest expense in FY 1996-97, or approximately \$1.7 million. While the City would incur interest costs for the issuance of the TRANs, the Controller reports that the proceeds from the sale of the notes will be invested at an estimated interest rate of 5.5 percent or 1 percent higher than the interest rate which the City will pay to finance the notes.

Therefore Mr. Harrington estimates that if the City issues \$50 million in TRANs, the City could realize gross interest revenues, through investing the proceeds, for nine months, of approximately \$2 million, incur interest expenses of approximately \$1.7 million, thereby resulting in estimated net additional General Fund interest revenues of \$300,000 in FY 1996-97.

6. The Budget Analyst concurs with the Controller's estimate of the potential net additional interest revenues to the City of approximately \$300,000 in FY 1996-97, assuming that \$50

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BUDGET ANALYST

million in TRANS are sold and subsequently invested for approximately nine months at an interest rate which is 1 percent higher than the City's interest costs to finance the sale of the notes.

The Budget Analyst notes that the City Treasurer maintains records of the average daily cash balance of the City's General Fund as well as other City Funds. Interest income from pooled investments is then allocated to each Fund based on these average daily cash balances. Cumulative deficits in the General Fund reduce the average daily cash balance of the General Fund on which pooled interest earnings are allocated. Based on the use of both General Fund and other City fund monies (pooled fund monies), the proceeds of the TRANS are available for investment for the entire year. As a result, net additional interest revenues earned on the proceeds of the TRANS for the entire year would result in an increase in General Fund revenue.

7. Proceeds from the sale of the TRANS would be required to be deposited into a special fund within the General Fund (the Tax and Revenue Anticipation Note Fund, or "Note Fund"), which would be established by the proposed resolution. Interest earned on the investment of the proceeds of the TRANS would also be deposited to the Note Fund.

The proposed resolution provides that amounts in the Note Fund could be withdrawn and expended by the City for any purpose for which the City is authorized to expend funds from the General Fund. However, funds could be expended from the Note Fund only after other unrestricted General Fund monies had been exhausted or were otherwise not available to meet the City's expenditure requirements.

8. Repayment of the principal and interest on the proposed TRANS would be made from "taxes, income, revenue, cash receipts and other monies" which accrue to the General Fund as unrestricted revenues in 1996-97, and which are "lawfully available for the payment of current expenses and other obligations of the City."

9. General Fund revenues would be deposited in the Tax and Revenue Anticipation Note Repayment Fund as security for the TRANS. The proposed resolution includes the City's "pledge" that it will deposit General Fund revenues into the Repayment Fund as security for repayment of the TRANS. The resolution requires that 50 percent of the amount to be repaid must be pledged and deposited into the Repayment

Fund in February, 1997 and the remaining 50 percent plus interest due must be deposited on May 31, 1996.

Interest earned by the Repayment Fund would be deposited to the Repayment Fund. On the maturity date of the TRANS, the Repayment Fund would be used to redeem the notes. Any excess funds in the Repayment Fund at that time would be transferred to the General Fund.

10. The proposed resolution provides that the holders of TRANS would not have an option to redeem the notes prior to the maturity date of the notes. Therefore, the City would not be required to repay the notes prior to the maturity date.

11. In summary, the proposed sale of Tax and Revenue Anticipation Notes is a technique authorized under State law to provide a temporary source of revenues to alleviate cash flow shortages, pending the receipt of City and County revenues from a variety of sources. For FY 1996-97, it is estimated that the issuance of \$50 million in Tax and Revenue Anticipation Notes would result in the City realizing net additional interest income of \$300,000, based on an estimated interest rate earned of 5.5 percent and an estimated interest rate paid of 4.5 percent.

Recommendation: Approve the proposed resolution.

Item 12 - File 188-96-4

Department: Public Utilities Commission (PUC)
Water Department

Item: Ordinance approving schedule of permit fees for short-term uses of San Francisco Water Department watershed lands, rights-of-way, and other properties.

Description: The San Francisco Water Department provides permits for short-term uses of San Francisco Water Department watershed lands, rights-of-way, and other properties owned by the Water Department (e.g. the Peninsula watershed and the Alameda watershed). Permits are issued for such uses as research projects, weddings and equestrian use.

According to Mr. Bill Laws of the PUC, seven of the nine types of short-term permits (see the Attachment for the complete list of permits) are issued on a one-time basis with a permit period ranging from two hours to one week. Mr. Laws advises that these seven types of short-term permits are issued on an as-needed basis. The other two types of short-term permits include an equestrian permit and an engineering permit. The equestrian permit is issued for one year, allowing a permittee to ride a horse on service roads located on the Water Department's property. Service roads are roads that provide the Water Department access to various watershed management sites. Engineering permits are usually valid until revoked by the Water Department. Mr. Laws reports that engineering permits are issued to 1) governmental agencies to allow public streets and sidewalks to cross Water Department rights-of-way; 2) public utility companies to allow for utility crossings on Water Department property; and 3) to private entities to investigate the feasibility of leasing Water Department rights-of-way.

The PUC has recently determined that current permit fees do not fully cover the costs of the Water Department's issuance of these permits. Therefore, the PUC conducted a cost analysis to determine the actual costs of issuing these permits. In addition, the PUC has obtained a listing of fees charged by the East Bay Regional Park District, which is composed of all the parks in Alameda and Contra Costa Counties. According to Mr. Laws, the PUC solely relied on the East Bay Regional Park District and did not survey permit fees charged by other Bay Area jurisdictions because many properties incorporated in the East Bay Regional Park District are adjacent to the Water Department's properties and have similar types of uses and physical characteristics.

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Comments:

1. According to Mr. Laws, a total of \$73,620 in revenues were generated in FY1995-96 by the permit fees listed in the Attachment. Mr. Laws advises that the PUC estimates that an additional \$6,380 in revenues will be generated based on the proposed fee increases, bringing the total annual permit fee revenues to approximately \$80,000.
2. The Attachment, as provided by the Water Department, is a schedule of the Water Department's existing permit fees, proposed permit fees, and a list of the permit fees charged by the East Bay Regional Park District.
3. The PUC advises that the Water Department permit fees were last increased in 1994.

Recommendation: Approve the proposed ordinance.

**San Francisco Water Department
FY1996-97 Proposed Permit Fees**

<u>Permit Type</u>	<u>Existing Fee</u>	<u>Proposed Fee</u>	<u>East Bay Regional Park District Fee¹</u>
1. Equestrian Permit	\$100/year	\$110/year	N/A ²
2. Weddings	\$150/2 hours	\$150/2 hours	\$460
3. Educational/ Scientific Research	No charge	No charge	\$25/graduate student \$50/academic and public agency
4. Police and Fire Department Training	No charge	No charge	N/A
5. Group Access (10 to 25 people)	\$5/person (\$50 min., \$125 maximum)	\$80, plus \$5 for each additional person over 10	\$500 (maximum of 75 people)
6. Engineering Permit ³	\$750	\$1,800, plus \$50/hr. for inspection	N/A
7. Multi-Day Access Permit (1 to 7 days)	N/A	\$110, plus \$70/day	\$50 to \$200 (2 day maximum) ⁴
8. Staff Services	\$50/hour	\$50/hour	\$35/hour
9. Non-Profit Organization	N/A	Fee waived by the PUC General Manager when use is consistent with PUC policy.	N/A

¹ Fees effective 1/1/95

² Non-existing permit

³ Fee charged is the higher of \$1,800 or actual cost when the Water Department determines unusual conditions exist. The proposed fee for the engineering permit includes the cost of services provided by the City Attorney's Office and the City Planning Department. The cost for these services were not factored into the existing fee.

⁴ Lower fee charged to adjoining property owner, higher fee charged to contractors; fee may be waived for reduction of fire fuel load at the recommendation of fire marshal.

Item 13 - File 199-96-3

Department: Department of Human Services (DHS)

Item: Resolution authorizing the City to transfer title of a 1991 Ford Van (equipment number 169505) to Mount St. Joseph-St. Elizabeth.

Description: In 1990, the Federal Department of Health and Human Services (DHHS) awarded a grant to the Department of Human Services (DHS) to provide services for the Federal Transitional Residential Infant Program. The purpose of the Transitional Residential Infant Program is to provide services to mothers with substance abuse problems. Ms. Judy Bley of DHS advises that these services were provided through a collaborative interagency effort between the DHS and a consortium of private agencies, including Mount St. Joseph-St. Elizabeth, a non-profit agency that provides services to mothers with substance abuse problems.

According to Ms. Bley, in 1991 the DHS purchased the subject 1991 Ford Van, using the Federal DHHS grant funds, specifically for Mount St. Joseph-St. Elizabeth to provide services for the Transitional Residential Infant Program. According to Ms. Bley, the DHS purchased the Ford Van for Mount St. Joseph-St. Elizabeth, instead of having Mount St. Joseph-St. Elizabeth purchase the Ford Van itself with the Federal grant funds, primarily because the DHS could purchase the Ford Van at the City's more economical fleet rate, and because the Ford Van would be available for the Transitional Residential Infant Program more quickly if the Ford Van was purchased directly by the DHS.

In 1992, at the request of the DHS, the Federal DHHS approved the transfer of the grant administration, grant funding, and all equipment previously purchased with the grant funds from the DHS to Mount St. Joseph-St. Elizabeth, according to Ms. Bley.

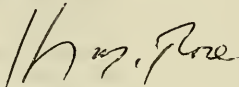
However, Ms. Bley advises that, although Mount St. Joseph-St. Elizabeth continues to use the Ford Van for the Transitional Residential Infant Program, and no City employees use the Ford Van, the City is still the registered owner. Therefore, the proposed resolution would authorize the transfer of title of the Ford Van from the DHS to Mount St. Joseph-St. Elizabeth in order for Mount St. Joseph-St. Elizabeth to assume full responsibility for the ownership of the 1991 Ford Van.

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Comment:

Ms. Bley advises that Mount St. Joseph-St. Elizabeth has been responsible for all of the maintenance and operating costs associated with the Ford Van since its purchase. Therefore, Ms. Bley advises, except for the initial purchase of the Ford Van which was paid for with Federal grant funds, the DHS has not expended any funds for the Ford Van. In addition, Ms. Bley advises, the Ford Van has never been used by DHS employees.

Recommendation: Approve the proposed resolution.


Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Kaufman
Supervisor Bierman
President Shelley
Supervisor Alioto
Supervisor Ammiano
Supervisor Brown
Supervisor Katz
Supervisor Leal
Supervisor Teng
Supervisor Yaki
Clerk of the Board
Chief Administrative Officer
Controller
Margaret Kisliuk
Paul Horcher
Ted Lakey

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REGULAR MEETING
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

SEP 13 1996

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WEDNESDAY, SEPTEMBER 11, 1996 - 1:00 P.M.

VETERANS BUILDING
401 VAN NESS AVENUE
ROOM 410

MEMBERS: SUPERVISORS TOM HSIEH, BARBARA KAUFMAN, SUE BIERMAN

CLERK: GREGOIRE HOBSON

TIME MEETING CONVENED: 1:21 P.M.

RELEASE OF RESERVED FUNDS

1. File 101-92-72.6. [Reserved Funds, Fire Department] Consideration of release of reserve, Fire Department (1989 Earthquake Safety Bond Fund), in the amount of \$550, for design and construction services at various Fire Department facilities including Fire Station No. 7. (Department of Public Works)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RELEASE OF \$550 APPROVED. FILED.

VOTE: 3-0.

2. File 101-94-22.2. [Reserved Funds, Fire Department] Consideration of release of reserve, Fire Department (1989 Earthquake Safety Bond Fund), in the amount of \$673,000 for the purpose of funding the construction contract at Fire Department facilities including Fire Station No. 7. (Department of Public Works)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RELEASE OF \$673,000 APPROVED. FILED.

VOTE: 3-0.

3. File 101-95-35.1. [Reserved Funds, Fire Department] Consideration of release of reserve, Fire Department (1989 Earthquake Safety Bond interest earnings), in the amount of \$319,037 for the purpose of funding the construction contract of Fire Station No. 7. (Department of Public Works)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RELEASE OF \$319,037 APPROVED. FILED.

VOTE: 3-0.

4. File 79-95-6.2. [Reserved Funds, Mayor's Office of Community Development] Consideration of release of reserve, Mayor's Office of Community Development (CDBG Grant), in the amount totaling \$80,000 (Glide Community Development, 330 Ellis Street, \$75,000 and St. Joseph Family Center, 899 Guerrero Street, \$5,000) to fund the 1996 Homeless Facilities Program Pool. (Mayor's Office of Community Development)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RELEASE OF \$80,000 APPROVED. FILED.

VOTE: 3-0.

5. File 79-95-6.3. [Reserved Funds, Mayor's Office of Community Development] Consideration of release of reserve, Mayor's Office of Community Development (CDBG Grant), in the amount of \$75,000, to fund the Margaret Hayward Playground renovation project. (Mayor's Office of Community Development)

SPEAKERS: None.

ACTION: CONSIDERATION CONTINUED TO THE CALL OF THE CHAIR.

VOTE: 3-0.

6. File 100-96-1.1. [Reserved Funds, Medical Examiner-Coroner] Consideration of release of reserve, Medical Examiner-Coroner, in the amount of \$18,700 for P.O.S.T. training (Peace Officer Specialized Training) for investigators in Los Angeles. (Chief Medical Examiner-Coroner)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harry Rose, Budget Analyst; Herb Holly, Administrator, Medical Examiner/Coroner. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RELEASE OF \$18,700 APPROVED. FILED.

VOTE: 3-0.

FISCAL

7. File 266-96-1. [Tax and Revenue Anticipation Notes] Resolution approving and authorizing the borrowing of funds for fiscal year 1996-1997 and the issuance and sale of City and County of San Francisco 1996-1997 Tax and Revenue Anticipation Notes therefor; approving Official Notice of Sale of such notes and authorizing the distribution thereof; approving Notice of Intention to Sell such notes and authorizing the publication thereof; authorizing the public sale of such notes; approving the Official Statement relating to such notes; authorizing the appointment of the Paying Agent in connection with the issuance of such notes; and authorizing other official actions in connection therewith. (City Administrator)

SPEAKER: DEPARTMENTAL REPRESENTATIVE: Harvey Rose. IN
SUPPORT: None. OPPOSED: None.

(Consideration continued from 9/4/96)

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

GENERAL

8. File 172-96-32. [Oakdale Bridget Reconstruction Project] Resolution adopting the determinations under the California Environmental Quality Act ("CEQA") and findings of General Plan conformance; authorizing the Director of Property to enter into agreements for the use of portions of real property identified as Assessor's Blocks 5320 and 5313 in connection with the reconstruction of the Oakdale Bridge; authorizing the Director of Property to compensate Gannet Outdoor Company for the loss of beneficial use of its advertising billboard during said construction project; authorizing the Director of Property to pay relocation assistance in an amount not to exceed \$5,000; authorizing City officials to execute any additional agreement in connection with the project; and ratifying action previously taken in connection with the project. (Real Estate Department)

SPEAKER: DEPARTMENTAL REPRESENTATIVE: Harvey Rose. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. (SAME TITLE.) Add a further resolve clause to read: That the approvals and authorizations provided in this Resolution are conditioned upon the following: 1) That the Right of Entry Permit with the Southern Pacific Transportation Company be amended to insert language stating that all conditions contained in the Permit will be subject to public disclosure requirements of the Sunshine Ordinance and the State Public Records Act. 2) That the maximum reimbursement to be given to the Peninsula Corridor Joint Powers Board for costs of administration and design review related to this Project shall be \$10,000. 3) That any additional agreements in connection with the Oakdale Bridge Reconstruction Project shall be subject to the Controller's certification as to the availability of funds.

VOTE: 3-0.

9. File 97-96-46. [Municipal Railway Improvement Fund] Ordinance amending the Administrative Code by adding a new Section 10.205 to establish a Municipal Railway Improvement Fund to receive, administer the expend the funds certified by the Controller and identified in the Memorandum of Understanding between the Transport Workers Union and the City and County of San Francisco effective July 1, 1996, as funds which the City agreed to pay into the Municipal Railway Trust Fund for fiscal years 1994/95 and 1996/97 which exceed the level of permissible Municipal Railway Trust Fund payments. (Department of Human Resources)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Ed Harrington, Controller; Emilo Cruz, General Manager, Municipal Railway; Ted Lakey, Deputy City Attorney; Mike Martin, Fiscal Director, Office of the Mayor. IN SUPPORT: Larry Martin, TWU; Joe Barnes, TWU, Local 258. OPPOSED: None.

ACTION: HEARING HELD. TO BOARD "WITHOUT RECOMMENDATION."

VOTE: 3-0.

HEARING

10. File 13-96-32.2. [Impact of Block Grants and Welfare Reform] Consideration on the impact of Block Grants and Welfare "Reform" on San Francisco's low income children, youth and families, and to consider action that can be taken at the local level to protect the public safety net; to consider the findings and recommendations of a report prepared by Coleman Advocates for Children and Youth, in collaboration with over a dozen community groups including Family Rights and Dignity, California Food Policy Advocates, the Coalition for Immigrant and Refugee Rights, San Francisco State School for Social Work, San Francisco Children's Council, Health Initiatives for Youth, California Childcare Resource and Referral Network, Center on Juvenile and Criminal Justice, the Women's Foundation, and Community United for Equality. (Supervisors Bierman, Katz)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Michael Wald, Director, Department of Human Services; Tangerine Brigham, Director of Policy and Planning, Department of Public Health; Lynn Lim, representing Jeff Mori, Mayor's Office of Children Youth and their Families; Michelle Pierce, Youth Commission. NO POSITION: Margaret Brodtkin, Coleman Advocates for Children and Youth; David Farrar, Associate Director, Coleman Advocates for Children and Youth; Barry Hermanson; Jan McMillian; Sandra Stern; E. Laurie True, California Food Policy Advocates; Pat Juno, Support for Families and Children with Disabilities; Ruth Smith, Director, African-Americans for Children and Families; Martina Gilla; Marth Redoles, School of Social Work, San Francisco State University; Jennifer Friedenbach, Stephen Bingham; Zelda Waqaea, Donna DeLong, Catholic Charities; Dominique Davis, San Francisco Council on Homelessness; Angie Wei; Maria Besola.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO THE OCTOBER 16, 1996, MEETING.

VOTE: 3-0.

LITIGATION

The Budget Committee of the Board of Supervisors may meet in closed session under the provisions of Government Code Section 54956.9(a) to discuss proposed settlement of the lawsuit listed below, these lawsuits involving the City and County of San Francisco. This motion would be made on the basis that discussion in open session of these proposed settlements would prejudice the position of the City in these lawsuits.

11. File 45-96-62. [Settlement of Claim Against Partial NSF Design Team]
Ordinance approving the settlement of the City's claims against members of the new Sheriff's facility design team insured under the project errors and omissions insurance policy. (City Attorney)

ACTION: RECOMMENDED.

The Budget Committee of the Board of Supervisors may find that it is in the best interests of the City not to disclose any information revealed in its closed session deliberations in the above two items at this time and may move not to disclose any information at this time.

TIME MEETING ADJOURNED: 4:40 P.M.

90.07
3
11/96
CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

September 6, 1996

TO: Budget Committee

DOCUMENTS DEPT.

FROM: Budget Analyst *Recommendations for meeting of*

SEP 10 1996

SUBJECT: September 11, 1996 Budget Committee Meeting

SAN FRANCISCO
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Items 1, 2 and 3 - Files 101-92-72.6, 101-94-22.2 and 101-95-35.1

Departments: Fire Department
Department of Public Works (DPW)

Items: Item 1, File 101-92-72.6 - Release of reserved funds in the amount of \$550, for construction contract services for the seismic upgrading for Fire Station No. 7.

Item 2, File 101-94-22.2 - Release of reserved funds in the amount of \$673,000 for construction contract services for the seismic upgrading for Fire Station No. 7.

Item 3, File 101-95-35.1 - Release of reserved funds in the amount of \$319,037 for construction contract services for the seismic upgrading for Fire Station No. 7.

Amount: \$550 - File 101-92-72.6
673,000 - File 101-94-22.2
319,037 - File 101-95-35.1
\$992,587

Source of Funds: 1989 Earthquake Safety Bond Program reserved funds

Description: **File 101-92-72.6**

The Board of Supervisors previously approved a supplemental appropriation ordinance appropriating \$15,430,000 from 1989 Earthquake Safety Bond proceeds (the fourth bond sale) for the seismic upgrading for various Fire Stations (File 101-92-72). At the same time, the Board placed \$8,053,000 on reserve pending the selection of the contractors, the MBE/WBE status of the contractors and submission of cost details. The Board of Supervisors has previously released \$8,052,450 of the \$8,053,000, leaving a balance of \$550 on reserve. The DPW is now requesting that the balance of \$550 be released from reserve to pay for a portion of the project costs for Fire Station No. 7 located at 2300 Folsom Street.

File 101-94-22.2

The Board of Supervisors previously approved a supplemental appropriation ordinance appropriating \$3,408,841 from 1989 Earthquake Safety Bond proceeds (the fifth bond sale) for the seismic upgrading for two Fire Stations including the Fire Station No. 7 (File 101-94-22). At the same time, the Board placed \$2,741,638 of the \$3,408,841 on reserve pending the selection of contractors, the MBE/WBE status of the contractors and submission of cost details. The DPW is now requesting that \$673,000 of the \$2,741,638 be released from reserve to pay for a portion of the project costs for Fire Station No. 7.

File 101-95-35.1

The Board of Supervisors previously approved a supplemental appropriation appropriating \$1,603,432 from 1989 Earthquake Safety Bond interest earnings to pay for seismic upgrading for various Fire Stations including Fire Station No. 7 (File 101-95-35). At the same time, the Board placed \$492,397 on reserve pending the selection of contractors, the MBE/WBE status of the contractors and submission of cost details. The DPW is now requesting that \$319,037 of the \$492,397 be released from reserve to pay for a portion of the project costs for Fire Station No. 7.

Budget: A summary budget of this entire request of \$992,587 is as follows:

Construction Contract	\$802,635
Construction Contingency	120,387
Telecommunications	12,500
Balance of Inspection Fees	<u>57,065</u>
Total	\$992,587

- Comments:**
1. The total costs for the seismic upgrading for Fire Station No. 7 is \$1,501,551, including \$992,587 now being requested. Attachment I, provided by the DPW, provides a complete detailed budget for the \$1,501,551 including this request of \$992,587.
 2. Mr. Roger Wong of the DPW advises that, through the DPW's Invitation for Bids process, the DPW has selected M. H. Construction Management Company, an MBE firm, as the lowest responsible bidder in the amount of \$802,635 (\$797,000 base bid plus \$5,635 for additional alternative work) to provide the construction services for the Fire Station No. 7 project. Attachment II lists (1) all the firms which responded to the DPW's Invitation for Bids as well as the bid amounts and MBE/WBE status of the firms and (2) the subcontractors including the subcontract amounts and the MBE/WBE status of the subcontractors.
 3. As previously noted, the total estimated cost of the seismic upgrading for Fire Station No. 7 is \$1,501,551 or \$508,964 more than the requested \$992,587. The DPW reports that the balance of \$508,964 will be paid for by previously appropriated 1989 Earthquake Safety Bond proceeds and interest earnings, and State grant funds.
 4. The project construction work consists of renovation of the existing two-story facility including seismic strengthening, provision of disabled access, and general repair work.
 5. The DPW advises that the Fire Station No. 7 project is estimated to be completed by October of 1997.

Recommendation: Release the reserved funds in the total amount of \$992,587.

STN7D3

PROJECT COST SUMMARY

2300 Folsom St.

Description of project

Renovation of the existing two-story building including seismic strengthening, provision of disabled access, asbestos and lead-based paint abatement, and condition repair. Area of building is 14,096 sq. ft.

Fund source

ESP1 previously released funds	376,050	
ESP1 previously released Bond sale interest	313,795	
PUC grant	9,360	
Less Phase 1 work	-190,241	
total		508,964
ESP1 release of reserve from 4th bond sale	550	
ESP1 release of reserve from 5th bond sale	673,000	
Partial release of bond sale interest	319,037	
Subtotal		992,587
Total		1,501,551

Budget Detail

		Subtotal	% of const'n cost
Design & Pre-construction costs			
1 Project management	27,000	27,000	
2 Programming & planning	15,000	15,000	
3 Basic A/E design service			
Architectural (DPW-BOA)	45,000		4.38%
Structural (DPW-BOE)	45,000		4.38%
Mechanical (DPW-BOE)	12,000		1.17%
Electrical (DPW-BOE)	12,000		1.17%
Subtotal		114,000	11.09%
4 Additional A/E services			
Design changes			
Architectural (DPW-BOA)	12,000		
Structural (DPW-BOE)	10,000		
Mechanical (DPW-BOE)	3,000		
Electrical (DPW-BOE)	8,000		
Subtotal		33,000	
5 Agency approval			
Building permit	12,216		
Side-walk permit	200		
Subtotal		12,416	
6 Miscellaneous			
Geotechnical investigation-Provenzano & Associates	27,000		
Cost estimate	6,600		
Contract preparation	5,000		
Architectural survey	3,000		
Asbestos & lead survey & specification	6,793		
Moving	2,720		
Subtotal		51,113	
7 Construction			
Construction contract	802,635		
Construction contingency	120,387		
Asbestos and lead abatement	92,000		
Telecommunication work	12,500		
Subtotal		1,027,522	

STN7D3

8 Construction support services	
Construction administration	
Architectural (DPW-BOA)	68,000
Structural (DPW-BOE)	14,000
Mechanical (DPW-BOE)	8,000
Electrical (DPW-BOE)	8,000
Construction management & inspection	85,500
Testing-Consolidated Engineering Lab	29,000
Geotechnical engineering	9,000
Subtotal	221,500
9 Total project cost	1,501,551

Expenditure plan

Total release of reserve	992,587
Total funds available	992,687
Construction contract	802,635
Construction contingency	120,387
Telecommunication work - Dept of Telecom	12,500
Inspection	57,065
Total projected expenditure	992,687

Construction administration for 44 weeks

	Hr. rate	Hr/wk	weeks	cost
Project manager	5504	81	4 44	14,256
Architect	5268	74	16 44	52,096
Secretary			lump sum	2,000
Total				68,352

Construction Support services

	Hr. rate	Hr/wk	weeks	cost
Resident engineer	73	8	44	25,696
Inspector	66	20	44	58,080
Secretary			lump sum	2,000
Total				85,776

DECLARATION OF BIDS

SPECIFICATION No. 5459A

TITLE: SFFD Fire Station #7 Renovation
2300 Folsom Street

BIDS RECEIVED: 12-Jun-96

		<u>Base Bid</u>	<u>Alt#1</u>
BIDDERS:	M. H. Const. Management Co	MBE/LBE 797,000	5,635
	K. P. Lam Bros., Construction	MBE/LBE 860,000	40,000
	Chiang C M Construction Inc.	MBE/LBE 872,998	4,466
	L C Electric Inc.	MBE/LBE 892,000	22,000
	Seto's Construction Co.	MBE/LBE 989,900	7,200
	Trico Construction	WBE/LBE 994,000	10,000
	Alpha Bay Builders Inc.	MBE/LBE 998,000	4,000
	LTM Construction Co., Inc.	MBE/LBE 1,034,000	7,900
	Cuevas & Mannion Construction	MBE/LBE 1,042,000	No Bid
	Average Bid:	942,211	11,245
	Architect's Estimate:	983,000	11,000
	% Architect's Estimate:	96%	102%

APPARENT LOW BIDDER: M H Construction Management Co.
1975-12th Avenue
San Francisco, CA 94116 Tel. (415) 822-8891

SUBCONTRACTORS:	D & S Associates (MBE)	Plumbing	33,100
	Pioneer Roofing	Roofing	2,700
	E & H Electric	Electrical	113,000
	JC Metal	Metal	15,000
	Kricker Bocker	Toilet Partition	3,358
	Mei Design	Architectural Wood	20,847
	Cookson Co.	Roll Up Door	3,358
	Pressure Grout Co.	Grout	19,900
	All American Tile	Terrazzo	10,500
	Dees-Hennessey Inc.	Shotcrete	19,000
	Concrete Wall Sawing Inc.	Sawcut/Demo	42,500
	Vargas & Esquivel (MBE)	Concrete	40,000
	Contract	Window Shades	7,600
	T & M Sheet Metal Co. (MBE)	HVAC	63,800
	Priority Engraving	Signs	3,350
	Linoleum Larry	Flooring	29,332

cc:	Roger Wong	Norm Karasick	Don Eng	Joe Cheung
	Mark Primeau	Minda Tan	DPW Accounting	Bob Swanstrom
	Harlan Kelly	Mary Starkweather	Helen Lui	

SL:sl
12-Jun-96

Item 4 - File 79-95-6.2

Department: Mayor's Office of Community Development (MOCD)

Item: Hearing to consider the release of reserved funds, in the amount of \$80,000, from the 1996 Community Development Block Grant from the Homeless Facilities Program Pool (\$75,000 for Glide Community Development, Inc. and \$5,000 for 899 Guerrero Street, Inc. for the development of the St. Joseph Family Center).

Amount: \$80,000

Source of Funds: Previously reserved 1996 Community Development Block Grant Program funds.

Description: In December of 1995, the Board of Supervisors approved the 1996 Community Development Block Grant (CDBG) Program, and reserved \$500,000 for the 1996 Homeless Facilities Program Pool, pending identification of the proposed projects. The purpose of the 1996 Homeless Facilities Program Pool is to provide funding for emergency shelters, public services, economic development, and rehabilitation projects that serve homeless individuals and families.

The proposed request would release \$80,000 of the \$500,000 in reserved funds in the Homeless Facilities Program Pool, including \$75,000 for Glide Community Development Inc. and \$5,000 for 899 Guerrero Street, Inc. for the development of the St. Joseph Family Center. Both the Glide Community Development, Inc. and 899 Guerrero Street, Inc. are non-profit agencies. These funds would be expended as follows:

Glide Community Development, Inc.

Mr. Pon advises that the \$75,000 for Glide Community Development, Inc. would be used to expand its emergency food distribution services by installing a new walk-in freezer/cooler and to rebuild the sidewalk freight elevator. Mr. Pon advises that approval of these funds would allow Glide Community Development, Inc. to triple the size of its freezer/cooler area, thus enabling it to expand its food give-away program. The Attachment, provided by the MOCD, includes budget details for the \$75,000 request.

899 Guerrero Street, Inc.

Mr. Pon advises that the \$5,000 for 899 Guerrero Street, Inc. would be used for pre-development expenses relating to the development of the St. Joseph Family Center. The St. Joseph

Family Center would provide emergency shelter and related supportive services, such as child care to families residing in the St. Joseph Family Center. Specifically, these funds would be used by 899 Guerrero Street, Inc. to conduct an analysis of the building, located at 1415 Howard Street, which is to be converted into the St. Joseph Family Center, in order to determine the condition of the building, and to provide an accurate cost estimate to MOCD for the conversion of the building. The amount of \$5,000 would provide approximately 62.5 hours of analysis at a rate of approximately \$80 per hour, according to Mr. Pon. Mr. Pon advises that currently the total estimated cost for the St. Joseph Family Center is approximately \$300,000. Mr. Pon advises that the conversion of the building into a family center is expected to be funded from future CDBG funding.

Recommendation: Approve the proposed release of reserved funds.

PHASE II - BUDGET

GLIDE COMMUNITY DEVELOPMENT, INC.

<i>COST BREAKDOWN BY PROJECT</i>	
<i>Description</i>	<i>Amount</i>
NEW FREEZER AND COOLER FOOD STORAGE UNITS	
1 Walk-in Cooler & Freezer (1,407 cubic feet) includes delivery, installation with refrigeration Tax included	34,699.00
2 Internal plumbing & electrical hook up	1,038.00
3 2 pairs of interior plastic doors Interior doors will retain temperature.	620.00
	36,357.00
SIDEWALK FRIEGHT ELEVATOR	
1. Sidewalk Hydraulic Elevator 1500 Capacity, 25 IPM, existing 11'-0" travel 2 stop, 3 phase includes basement door with double swing door with interlock and black oxide zinc chromatic prime finish. Installation of door includes necessary sidewalk cement work, hoistway, sidewalk car operating station.	38,643.00
	38,643.00
TOTAL:	75,000.00

Item 5 - File 79-95-6.3

Department: Mayor's Office of Community Development (MOCD)

Item: Hearing to consider the release of reserved funds, in the amount of \$75,000, from the 1996 Community Development Block Grant (CDBG) Program Public Space Improvement Program, to be used for the Margaret Hayward Playground renovation project.

Amount: \$75,000

Source of Funds: Previously reserved 1996 Community Development Block Grant Program funds.

Description: In December of 1995, the Board of Supervisors approved the 1996 Community Development Block Grant (CDBG) Program, and reserved an amount of \$75,000 for the Public Space Improvement Program, pending the selection of a contractor, the MBE/WBE status of the contractor, and the submission of budget details (File 79-95-6). The purpose of the Public Space Improvement Program is to fund site improvements that increase personal safety and security and outdoor social and recreational opportunities, as well as to eliminate blighted conditions in areas inhabited by low and moderate income residents.

Mr. Jon Pon of the MOCD advises that the proposed release of \$75,000 would represent the MOCD's contribution to the \$415,000 cost to renovate the Margaret Hayward Playground, located at 1016 Laguna Street. The renovation of Margaret Hayward Playground includes demolishing existing play facilities and replacing them with new equipment to meet the current Consumer Products Safety Guidelines for play areas, and to provide disability access improvements to the play area.

Mr. Pon advises that of the entire \$415,000 cost of the renovation project, \$75,000 would be provided by the MOCD, and the balance of \$340,000 would be provided by the Recreation and Park Department. An amount of \$340,000 in Open Space funds for the renovation of the Margaret Hayward Playground was approved by the Board of Supervisors in the Recreation and Park Department's FY 1996-97 budget. Mr. Pon advises that the entire amount of \$415,000 would be transferred to the Department of Public Works (DPW) to oversee the renovation project.

Comments:

1. Attachment I, provided by Mr. Pon, includes a budget for the \$415,000 Margaret Hayward Renovation Project.
2. Mr. Pon advises that the DPW has not yet selected a contractor for the renovation of the Margaret Hayward Playground. Therefore, the \$75,000 in reserved funds should continue to be reserved, pending the selection of a contractor, which would thereby enable the MOCD to provide the contractor cost details and the MBE/WBE status of the contractor.
3. Attachment II, is a memo provided by Mr. Pon, which describes why he disagrees with the recommendation of the Budget Analyst to continue to reserve the subject funds.
4. The Budget Analyst responds to the memo provided by Mr. Pon by noting that when the Board of Supervisors adopted the budget for the 1996 CDBG Program (File 79-95-6), the Board accepted the recommendation of the Budget Analyst which stated that "because a construction contractor has not yet been selected, the \$75,000 in proposed CDBG funding for this project should be placed on reserve, pending the selection of a contractor, the submission of budget details and the MBE/WBE status of the contractor." Therefore, the Budget Analyst's recommendation contained in this report to continue to reserve the subject funds is consistent with the actions previously adopted by the Board of Supervisors in the Board's approval of 1996 CDBG Program budget.

Recommendation:

Continue to reserve \$75,000, pending the selection of a contractor, the MBE/WBE status of the contractor, and the submission of contract details.

Attachment I

CAO/MARGARET HAYWARD PLAYGROUND

Demolition/Site Preparation	\$ 31,000
Two Playstructures	140,000
Safety Matting	95,000
ADA Provisions	10,000
Concrete and Brick Paving	35,000
Three Benches and Tables	3,000
Signage/Bulletin Board	1,000
Landscaping/Irrigation	20,000
Fencing	20,000
DPW Design/Inspection	<u>60,000</u>
TOTAL	\$415,000

9/3/96

MAYOR'S OFFICE OF COMMUNITY DEVELOPMENT

CITY AND COUNTY OF SAN FRANCISCO

WILLIE LEWIS BROWN, JR.
MAYOR

PRISCILLA WATTS
DIRECTOR

MEMORANDUM

September 5, 1996

TO: Harvey Rose, Budget Analyst

FROM: Jon Pon, Program Manager

RE: 1996 Community Development Block Grant Program (CDBG)
File #79-95-6.3, Margaret Hayward Playground
Request for release of \$75,000

When the Board of Supervisors reviewed the 1996 CDBG Program last year, \$75,000 was allocated for the renovation of the Margaret Hayward Playground. This amount represented partial funding of this renovation project. It was my understanding then that the Budget Committee placed the \$75,000 on reserve because we were not able to identify the other sources of funds necessary to complete this project.

Since then, the Board of Supervisors approved the 1996-97 General Fund budget that included funding of \$340,000 for the renovation of Margaret Hayward Playground. This additional funding when combined with \$75,000 from CDBG will be sufficient to complete the renovation project. Since the \$340,000 has not been placed on reserve, there should not be any further reasons to continue to keep the \$75,000 on reserve.

The funding from the 1996-97 General Fund and the 1996 CDBG are to be transferred to DPW for implementation. DPW will incorporate all the necessary MBE/WBE requirements from the Human Rights Commission into the bidding and construction documents. It is DPW's policy to go out to bid only after all the funds have been received. Information on the MBE/WBE status of the general contractor is routinely provided to the Human Rights Commission by DPW.

cc: Roger Sanders, MOCD

Post-It™ brand fax transmittal memo 7671		# of pages 1
To	MICHELLE R	From
Co.		Co.
Dept.	2nd DRAFT	Phone #
Fax #		Fax #

Item 6 - File 100-96-1.1

Department: Medical Examiner

Item: Hearing to consider the release of reserved funds in the amount of \$18,700 for the Medical Examiner's Investigative Training Program, including the Peace Officer Specialized Training (POST) course.

Amount: \$18,700

Source of Funds: Included in the Medical Examiner's FY 1996-97 budget (See Comment No. 5).

Description: During the FY 1996-97 budget process, the Board of Supervisors reserved \$18,700 of the Medical Examiner's \$22,600 Training budget, pending the submission of details describing how these funds would be expended.

Mr. Herb Hawley of the Medical Examiner advises that in an effort to provide a comprehensive training program for the Medical Examiner's staff, primarily for the 12 FTE 2580 Coroner's Investigators, the Medical Examiner has developed a comprehensive training program entitled the "Investigative Training Program." Mr. Hawley advises that the \$18,700 in reserved funds would be expended as follows:

Investigative Training Program

Peace Officer Specialized Training (POST) (see Comment No. 1)	\$10,000
Training Manuals (12 manuals @ \$100 each)	1,200
Cultural and Diversity Training through the Department of Public Health's Employee Assistance Program (EAP) (see Comment No. 2)	4,500
POST-Report Writing and Penal Code 832 workshop (see Comment No. 3)	1,000
Printing Costs (10,000 informational brochures to be printed in English, Spanish, Chinese, and Tagalog.) These brochures will be provided by Coroner's Investigators to bereaved families.	<u>2,000</u>
Total	\$18,700

Comments:

1. According to Mr. Hawley, the State's Peace Officer Specialized Training Commission offers two-week Peace Officer Specialized Training courses in order to provide uniform training in Medical Examiner/Coroner procedures. Mr. Hawley advises that the \$10,000 would be used for five of the Medical Examiner's 12 2580 Coroner's Investigators to attend the POST course in Los Angeles. Mr. Hawley advises that of the remaining seven 2580 Coroner's Investigators, five will attend the POST course in FY 1997-98, and the remaining two have already completed the POST course. Specifically, the funds would be expended as follows:

Tuition (\$359 each for 5 staff)	\$1,795
Per Diem (\$102 per day for 12 days x 5 staff)	6,120
Travel- automobile between Los Angeles and San Francisco (\$0.26 x 800 miles x 5 staff)	1,040
Travel-airfare (\$209 for each of five investigators to return once to San Francisco during the weekend between the two training weeks)	<u>1,045</u>
Total	\$10,000

2. The Medical Examiner would workorder funds, in the amount of \$4,500, to the Department of Public Health's Employee Assistance Program (EAP), in order for EAP to provide cultural and diversity training to all Medical Examiner personnel. The EAP would provide approximately 45 hours of training for approximately \$100 per hour. Mr. Alex MacKenzie of the EAP advises that the EAP would perform a needs assessment, through questionnaires and interviews, to determine the cultural and diversity training needs of the Medical Examiner's Office, and would then design and administer training workshops to address these specific training needs.

3. Mr. Hawley advises that the \$1,000 for the POST-Report Writing and Penal Code 832 (Peace Officer training procedures) workshop would be used for seven 2580 Coroner's Investigators to attend one three-day workshop, administered by the POST Commission, in Santa Rosa. Specifically, these funds would be expended as follows:

Tuition (\$28 each for seven individuals)	\$196
Per Diem (\$8 daily for lunch for seven individuals for three days)	168
Travel (Approximately \$26.40 per day for three days for seven individuals, including \$63 for bridge tolls, and \$573 for mileage @ \$0.26 per mile for 315 miles each)	<u>636</u>
Total	\$1,000

4. The State's POST Commission would reimburse the City for the following items:

<u>Item</u>	<u>Amount</u>
Peace Officer Specialized Training course	\$10,000
POST- Report Writing and P.C. 832 workshop	
<i>Per Diem for lunches</i>	168
<i>Travel</i>	<u>636</u>
Total Reimbursed to the City	\$10,804

5. In summary, of the \$18,700 cost, the City would be reimbursed a total of \$10,804 by the State's POST Commission, pending the completion of the POST course and the Report Writing and P.C. 832 workshop by the Coroner's Investigators.

Recommendation: Approve the proposed release of reserved funds.

Item 7 - File 266-96-1

Note: This item was continued by the Budget Committee at its meeting of September 4, 1996.

Departments: City Administrator
Controller

Item: Resolution approving and authorizing the borrowing of funds for FY 1996-97 and the issuance and sale of City and County of San Francisco 1996-97 Tax and Revenue Anticipation Notes (TRANS); approving official notice of sale of such notes and authorizing the distribution of said notes; approving notice of intention to sell such notes and authorizing the publication of said notes; approving official statement relating to such notes; authorizing the delegation of the appointment of certain parties in connection with the issuance of such notes; and authorizing other special actions in connection therewith.

Amount: Not to exceed \$100 million

Description: The City's revenues, such as Property Tax revenues, are not received at a uniform level throughout the year, but rather are received at the times when the different sources of revenues become due and payable to the City. In contrast, the City's expenditures, such as payroll expenditures, tend to be more uniform throughout the year.

Tax and Revenue Anticipation Notes (TRANS) are short-term (not longer than 15 months) tax exempt securities which are authorized pursuant to the California Government Code and which may be used to "smooth" the City's cash flow. The proceeds from the sale of these notes would be used to pay the City's expenses, when such expenses become due, in anticipation of the City's receipt of taxes, income, revenues, cash receipts, and other monies which will be paid at a later date to the City's General Fund.

The proposed resolution would authorize and approve the issuance and sale of TRANS for FY 1996-97 in an amount not to exceed \$100 million. According to the proposed legislation, the notes will be sold on September 25, 1996 and issued on or before December 1, 1996. The Controller reports that \$50 million of the requested authorization of up to \$100 million in TRANS is planned to be sold and issued.

The proposed resolution would also approve the City's Official Statement relating to the proposed TRANS; authorize

the distribution of an official notice inviting bids in connection with the notes; authorize the public sale of the notes; and authorize other official actions necessary in connection with the issuance and sale of the TRANs.

The proposed resolution provides that the interest rate which the City would pay on the TRANs could not exceed 8 percent. Although the current estimated interest rate to be paid by the City is 4.5 percent, according to the City Administrator, the actual interest rate to be paid by the City will be determined after bids for the notes have been received, with the notes being issued to the bidder offering the lowest interest cost to the City. The TRANs would reach maturity on or about October 8, 1997, at which time they would be required to be repaid in full.

The Controller reports that the proceeds from the sale of the TRANs notes would be invested, until such time as the proceeds were needed, to meet the City's expenditure requirements. The Controller estimates that additional General Fund net interest income would be realized in FY 1996-97 by investing the proceeds of the TRANs, during those time periods when the TRANs proceeds would not be fully needed to pay the City's bills. These additional revenues to the City would result from investing \$50 million in proceeds from the sale of TRANs at an estimated interest rate of 5.5 percent, which would be 1 percent higher than the interest rate of 4.5 percent which the Controller estimates the City will pay out on the TRANs in order to borrow the funds.

Comments:

1. In accordance with the Charter, the City currently is required to maintain a Cash Reserve Fund for use in alleviating cash flow shortages throughout any fiscal year. The City annually allocates funds to the Cash Reserve Fund equal to 10 percent of the current or prior Property Tax levy. Ms. Teresa Chow of the Controller's Office reports that the Cash Reserve Fund is currently \$62.3 million.
2. The amount of TRANs which can be sold is based on the City's maximum cumulative deficit of expenditures over revenues which is projected to occur within the first six months after the notes are issued, plus the City's historically and customarily maintained reasonable working capital reserve.
3. Ms. Chow reports that the General Fund generally experiences a "maximum deficit" of expenditures over revenues in November of each fiscal year, before the first

installment of the Property Tax revenues (due December 10 of each year) has been received. The amount of TRANs which will be issued is based on the Controller's projections of the maximum cash deficit which is anticipated to occur in November, 1996, plus the City's maintained reasonable working capital reserve as described above. Ms. Chow reports that the City would be eligible to issue TRANs of approximately \$50 million in FY 1996-97, based on cash flow projections for the FY 1996-97 and the Federal tax regulations.

4. While the proposed legislation would authorize an issuance of not to exceed \$100 million in TRANs, as previously noted, Mr. Harrington reports that only \$50 million in TRANs would be issued, an amount which the Controller deems to be prudent, based in part on consultations with legal and financial consultants. Mr. Harrington also states that independent bond-rating agencies, which evaluate the City's financial status, recognize that the use of TRANs is a prudent way for the City to manage its cash flow needs.

5. As previously noted, the proposed resolution provides that the interest rate to be paid by the City on the proposed TRANs could not exceed 8 percent, but that the current estimated interest rate to be paid by the City is 4.5 percent. The Budget Analyst notes that, at an interest rate of 4.5 percent on a principal amount of \$50 million, the City's total interest costs over one year would be approximately \$2.3 million. The Controller anticipates that the FY 1996-97 TRANs will be issued in September, 1996 (as noted above, the proposed legislation provides for an issuance on or before December 1, 1996). Therefore, the Controller estimates that the City will incur approximately nine months of interest expense in FY 1996-97, or approximately \$1.7 million. While the City would incur interest costs for the issuance of the TRANs, the Controller reports that the proceeds from the sale of the notes will be invested at an estimated interest rate of 5.5 percent or 1 percent higher than the interest rate which the City will pay to finance the notes.

Therefore Mr. Harrington estimates that if the City issues \$50 million in TRANs, the City could realize gross interest revenues, through investing the proceeds, for nine months, of approximately \$2 million, incur interest expenses of approximately \$1.7 million, thereby resulting in estimated net additional General Fund interest revenues of \$300,000 in FY 1996-97.

6. The Budget Analyst concurs with the Controller's estimate of the potential net additional interest revenues to the City of approximately \$300,000 in FY 1996-97, assuming that \$50 million in TRANs are sold and subsequently invested for approximately nine months at an interest rate which is 1 percent higher than the City's interest costs to finance the sale of the notes.

The Budget Analyst notes that the City Treasurer maintains records of the average daily cash balance of the City's General Fund as well as other City Funds. Interest income from pooled investments is then allocated to each Fund based on these average daily cash balances. Cumulative deficits in the General Fund reduce the average daily cash balance of the General Fund on which pooled interest earnings are allocated. Based on the use of both General Fund and other City fund monies (pooled fund monies), the proceeds of the TRANs are available for investment for the entire year. As a result, net additional interest revenues earned on the proceeds of the TRANs for the entire year would result in an increase in General Fund revenue.

7. Proceeds from the sale of the TRANs would be required to be deposited into a special fund within the General Fund (the Tax and Revenue Anticipation Note Fund, or "Note Fund"), which would be established by the proposed resolution. Interest earned on the investment of the proceeds of the TRANs would also be deposited to the Note Fund.

The proposed resolution provides that amounts in the Note Fund could be withdrawn and expended by the City for any purpose for which the City is authorized to expend funds from the General Fund. However, funds could be expended from the Note Fund only after other unrestricted General Fund monies had been exhausted or were otherwise not available to meet the City's expenditure requirements.

8. Repayment of the principal and interest on the proposed TRANs would be made from "taxes, income, revenue, cash receipts and other monies" which accrue to the General Fund as unrestricted revenues in 1996-97, and which are "lawfully available for the payment of current expenses and other obligations of the City."

9. General Fund revenues would be deposited in the Tax and Revenue Anticipation Note Repayment Fund as security for the TRANs. The proposed resolution includes the City's "pledge" that it will deposit General Fund revenues into the Repayment Fund as security for repayment of the TRANs.

The resolution requires that 50 percent of the amount to be repaid must be pledged and deposited into the Repayment Fund in February, 1997 and the remaining 50 percent plus interest due must be deposited on May 31, 1996.

Interest earned by the Repayment Fund would be deposited to the Repayment Fund. On the maturity date of the TRANs, the Repayment Fund would be used to redeem the notes. Any excess funds in the Repayment Fund at that time would be transferred to the General Fund.

10. The proposed resolution provides that the holders of TRANs would not have an option to redeem the notes prior to the maturity date of the notes. Therefore, the City would not be required to repay the notes prior to the maturity date.

11. In summary, the proposed sale of Tax and Revenue Anticipation Notes is a technique authorized under State law to provide a temporary source of revenues to alleviate cash flow shortages, pending the receipt of City and County revenues from a variety of sources. For FY 1996-97, it is estimated that the issuance of \$50 million in Tax and Revenue Anticipation Notes would result in the City realizing net additional interest income of \$300,000, based on an estimated interest rate earned of 5.5 percent and an estimated interest rate paid of 4.5 percent.

Recommendation: Approve the proposed resolution.

Item 8 - File 172-96-32

Department: Real Estate Department (DRE)
Department of Public Works (DPW)

Item: Resolution adopting the determinations under the California Environmental Quality Act ("CEQA") and findings of General Plan conformance; authorizing the Director of Property to enter into agreements for the use of portions of real property identified as Assessor's Blocks 5320 and 5313 in connection with the reconstruction of the Oakdale Bridge; authorizing the Director of Property to compensate Gannett Outdoor Company for the loss of beneficial use of its advertising billboard during said construction project; authorizing the Director of Property to pay relocation assistance in an amount not to exceed \$5,000; authorizing City officials to execute any additional agreement, without further approval by the Board of Supervisors, in connection with the project; and ratifying action previously taken in connection with the project.

Description: The Oakdale Bridge is a grade separation structure located on Oakdale Avenue over a railway, between Quint Street and Phelps Street in the Bayview neighborhood. Mr. Joe Ovadia of the DPW states that, in 1993, a CalTrans inspection found that the Oakdale Bridge needs to be reconstructed in order to safely carry trucks weighing more than 3 tons. In December of 1993, the Board of Supervisors approved acceptance and expenditure of \$750,000 in Federal funds for this project, to be matched with \$250,000 in Sales Tax funds allocated to the project by the Transportation Authority, for a total original budget of \$1 million (File 148-93-10). Mr. Ovadia states that this original cost estimate was incorrect. He advises that the revised estimated cost is 4,350,000. Ms. Tina Olson of the DPW states that the DPW will submit a proposed resolution to the Board of Supervisors to apply for, accept and expend the balance of \$2,730,000 in Federal funds and \$620,000 in Sales Tax Funds. The DPW plans to hire a contractor to demolish and rebuild the bridge, with construction slated to start in April, 1997 and to be completed by October, 1997.

The proposed resolution would provide Board of Supervisors authorization for the DPW and the DRE to take the following steps to secure access to the Oakdale Bridge during the construction period and to comply with Federal requirements so that construction funding can be released:

- Adopt the Planning Department's December 5, 1995 determination that the project is categorically exempt from environmental review under the California Environmental Quality Act (CEQA). Mr. Ovadia states that the completed project will simply replace the Oakdale Bridge, so impact on traffic patterns and other environmental factors will be minimal.
- Authorize the form of a Right of Entry permit for property located on the north side of Oakdale Avenue, on either side of the railroad track, owned by Southern Pacific Transportation Company; and authorize payment of up to \$11,000 by the City to the Southern Pacific Transportation Company for use of this property during construction. (See Comment No. 1.)
- Authorize the form of a Memorandum of Understanding (MOU) and Right of Entry permit with property owners Ernest L and Mary A. Viola related to property located on the south side of Oakdale Avenue to the west of the railroad track; and authorize payment of up to \$1,500 to the Violas for use of this property during construction. (See Comment No. 2.)
- Authorize a Project Coordination Agreement and a Right of Entry permit with the Peninsula Corridor Joint Powers Board (PCJPB), related to the railroad track itself, as well as to a large lot located on the south side of Oakdale Avenue; authorize payment of up to \$16,400 to the PCJPB for use of the property during construction; and authorize payment of up to \$10,000 to reimburse the PCJPB for costs of administration, review of project plans, inspection, etc. related to the PCJPB's role in protecting its facilities and ensuring that subject project complies with PCJPB standards. (See Comment No. 3.)
- Authorize payment by the City of up to \$12,000 to the Gannett Outdoor Company to compensate the company for the permanent removal of an existing billboard in order to improve the grading of the site.
- Authorize payment by the City of up to \$5,000 for relocation assistance. Mr. Robert Haslam of the DRE states that relocation assistance might be provided to the Bay City Pie Company, which is a tenant of the PCJPB, as well as possibly to the Violas.
- Provide blanket authorization to City officials to execute any additional agreement, permit, certificate or related document necessary or advisable to complete the subject

project, and authorize all actions previously taken by City officials in connection with the project, without any subsequent approval by the Board of Supervisors. (See Comment No. 5.)

Comments:

1. The Right of Entry Permit with the Southern Pacific Transportation Company basically sets forth the terms under which the City will have the right to enter their property for the purpose of completing the subject project. The Permit indemnifies the Southern Pacific Transportation Company against liability for loss of or damage to property, or personal injury resulting from the use of the Southern Pacific property by the City. The permit currently states that the City will pay the Southern Pacific Transportation Company \$10,800 in consideration for the use of the property, although the proposed resolution would authorize the City to pay up to \$11,000 for this purpose. Mr. Haslam advises that this fee represents payment of approximately \$0.12 per square foot per month, which Mr. Haslam states is the fair market rental value of the property as determined through an appraisal of vacant land being used for industrial purposes in the area.

The Right of Entry Permit with the Southern Pacific Transportation Company contains language which might be interpreted to require the DPW to keep the results of any environmental surveys confidential. The Budget Analyst recommends that the DRE be directed to add a statement to this Permit stating that all conditions contained in the Permit will be subject to public disclosure requirements of the Board of Supervisors' Sunshine Ordinance and the State Public Records Act. Mr. Victor Castillo of the City Attorney's Office advises that the City Attorney concurs with this recommendation.

2. Like the Right of Entry Permit discussed in Comment No. 1, the MOU with the Violas basically sets forth the terms under which the City will have the right to enter their property for the purpose of completing the subject project. The MOU establishes rent of \$1,400 for use of the property base on the appraised fair market rental value of approximately \$0.12 per square foot per month (See Comment No. 1), and states that a Rental Agreement, which is to take the form of the City's standard rental agreement, will incorporate the \$1,400 rent. An additional benefit negotiated by the Violas for use of their property is that they will be granted permission to excavate newly repaved streets in the area, should they decide to develop their property and need to excavate to install utilities at some future date. Mr. Haslam advises that, under normal circumstances, DPW does

not permit property owners to excavate streets that have been repaved for three years following the repaving.

3. The Peninsula Corridor Joint Powers Board (PCJPB) operates the Peninsula Commuter Service, which runs trains under the Oakdale Bridge. The Right of Entry Permit with the PCJPB would give the City access to the railroad tracks and an adjacent lot in connection with the bridge construction, at a cost of \$16,400, again based on the appraised fair market rental value of approximately \$0.12 per square foot per month. Because the PCJPB has the authority to regulate railroad grade separation structures affecting its tracks, the Permit states that the City will abide by the PCJPB's regulations and standards for grade separation structures.

Unlike the other property owners (Southern Pacific Transportation Company and the Violas), the PCJPB has a regulatory responsibility to oversee the design and execution of the subject project. The Project Coordination Agreement with the PCJPB establishes that the City will reimburse the PCJPB for costs incurred by the PCJPB in connection with the subject project. Such costs would include an estimated \$126,000 for preliminary engineering, engineering inspection, flagmen and administration. Mr. Ovadia states that an additional \$10,000 is estimated for PCJPB review and approval of the Contractor's demolition and construction plans, although the Agreement contained in the Board of Supervisors' file has a blank line where this figure should be. We recommend that approval of the Agreement be subject to inclusion of this figure in the final version of the Agreement. The total maximum reimbursement to the PCJPB, which is separate from the \$16,400 Right of Entry, would be \$136,000.

4. The maximum total cost of the agreements that would be approved as part of the subject resolution is shown below:

Southern Pacific Transportation Company Right of Entry Permit	\$ 11,000
Ernest L. and Mary A. Viola MOU and Right of Entry Permit	1,500
PCJPB Right of Entry Permit	16,400
PCJPB Project Coordination Reimbursement	136,000
Gannett Outdoor Company Compensation	12,000
Relocation Assistance	<u>5,000</u>
TOTAL	\$181,900

Mr. Ovadia states that the entire \$181,900 would be funded from the project Federal grant funds already approved by the Board of Supervisors (File 148-93-10).

5. Mr. Castillo states that the provision of the proposed resolution which provide blanket approval for City officials to execute any additional agreements necessary or advisable to complete the subject project is largely a formality, because the DPW and the DRE already have the statutory authority to execute non-real estate agreements that involve less than \$10 million without Board of Supervisors approval. However, we recommend that the resolution be amended to clearly state that any such additional agreements would be subject to the Controller's certification that funds are available.

6. Mr. Ovadia states that the reasons that the subject project has taken three years to commence, and that the estimated budget has increased from \$1 million to approximately \$4 million, are that (1) several regulatory agencies and property owners are involved, which complicates the planning process; (2) DPW did not have design staff available to work on the project until recently; and (3) the initial cost estimate was inaccurate.

Recommendations: 1. Amend the proposed resolution as follows: (a) Insert language into the Right of Entry Permit with the Southern Pacific Transportation Company stating that all conditions contained in the Permit will be subject to public disclosure requirements of the Sunshine Ordinance and the State Public Records Act; (b) List the figure of \$10,000 as the maximum reimbursement to the PCJPB for costs of administration and design review; and (c) specify that any additional agreements in connection with the Oakdale Bridge Reconstruction Project be subject to the Controller's certification as to the availability of funds.

2. Approve the proposed resolution as amended.

0.07 Item 9 - File 97-96-46

REVISED

Departments: Human Resources Department (HRD)
Municipal Railway (Muni)

Item: Ordinance amending the Administrative Code to add a new Section 10.205 to establish a Municipal Railway Improvement Fund to receive, administer and expend the funds certified by the Controller and identified in the Memorandum of Understanding between the Transport Workers Union and the City and County of San Francisco effective July 1, 1996 as funds which the City agreed to pay into the Municipal Railway Trust Fund for FY 1994-95 and FY 1996-97 which exceed the level of permissible Municipal Railway Trust Fund payments.

DOCUMENTS DEPT.

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Description: Maximum wages for Muni platform employees and coach or bus operators are established based on the average of the two highest wage schedules for comparable transit systems in the United States, pursuant to Charter Section A8.404. The Charter states that wages for each classification of such employees "shall not be in excess of the average of the two highest wage schedules." In practice, wages have been set to equal this average, (although in the proposed MOU wages are set somewhat below this level for the latter part of FY 1996-97).

Charter Section A8.404 further provides that, when the value of vacation, retirement and health service benefits is less than the value of such benefits provided by the two transit systems used for establishing wage schedules, a dollar amount, not to exceed the difference between the average value of the benefits package in the two comparable systems and the benefits package provided by the City, may be deposited into a Municipal Railway Trust Fund.

In practice the City has negotiated the amount of the contribution to the Municipal Railway Trust Fund prior to receiving an actuarial valuation of the benefits package. As a consequence, in both FY 1994-95 and FY 1995-96, the actuarial report showed that the City had agreed to contribute more to the Municipal Railway Trust Fund than could legally be contributed. The excess amount in FY 1994-95 was approximately \$809,000; the excess amount in FY 1995-96 was approximately \$1,400,000 to \$1,800,000, according to Mr. Rich Hillis of the Mayor's Office (reportedly based on a draft actuarial report for FY 1995-96). A new proposed Memorandum of Understanding (MOU) with the Transport Workers Union (Item 17, File 93-96-29 on the

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September 10, 1996 Government Efficiency and Labor Committee calendar) is currently before the Board of Supervisors, and the actuarial valuation has not been completed to measure the extent of any excess amount in FY 1996-97. (see Comment No. 2 for more details.)

The purpose of the proposed ordinance is to establish a separate Municipal Railway Improvement Fund to receive the excess funds committed to the Municipal Railway Trust Fund, and expend such funds based on direction from the same individuals who serve as Trustees for the Municipal Railway Trust Fund. The ordinance specifically refers to FY 1994-95 and FY 1996-97. See Comment No. 1 for an explanation of why FY 1995-96 is omitted, and see Comment No. 2 for more background on the anticipated FY 1996-97 situation.

Comments:

1. Mr. John Madden of the Controller's Office states that the excess committed funds above the level of permissible contributions to the Municipal Railway Trust Fund for FY 1994-95 (\$809,000) and FY 1995-96 (\$850,000 instead of the \$1,400,000 to \$1,800,000 reported by Mr. Hillis) are currently recorded to Muni's Fringe Benefit Account, although they are not currently backed by cash. In the proposed MOU (File 93-96-29) the Transport Workers Union has agreed to contribute the \$850,000 FY 1995-96 excess Trust Fund monies to help meet the City's FY 1996-97 Municipal Railway Trust Fund commitment. Mr. Rich Hillis of the Mayor's Office states that the savings to the General Fund would be used to fund direct benefits included in the proposed MOU. (See Item 17, File 93-96-29 of the Government Efficiency and Labor Committee September 10, 1996 calendar for a discussion of the cost of benefits under the proposed MOU.) Therefore, the proposed ordinance does not include a FY 1995-96 contribution to the proposed Municipal Railway Improvement Fund.

2. The proposed MOU commits the City to contributing \$3,400,000, plus the \$850,000 estimated by the Controller, to the Municipal Railway Trust Fund in FY 1996-97, for a total FY 1996-97 contribution of \$4,250,000. Mr. Hillis states that, based on informal estimates prepared by himself and the Towers Perrin Company (the actuary who will conduct the formal valuation), the potential commitment to the Trust Fund for FY 1996-97 will not materially exceed the permissible deposit to the Trust Fund. Therefore, Mr. Hillis anticipates that no material deposit will be made to the proposed Municipal Railway Improvement Fund from FY 1996-97 appropriations. However, the proposed ordinance would permit deposit of such excess funds to the proposed

Municipal Railway Improvement Fund, in the event that the actuarial valuation shows that too much money has been committed to the Trust Fund for FY 1996-97. The Budget Analyst cannot validate that a contribution will not be made to the proposed Municipal Railway Improvement Fund in FY 1996-97, in the absence of an actuarial valuation.

The FY 1996-97 Muni budget contains \$13,850,000 for the Trust Fund, but only an estimated \$4,250,000 would be required under the proposed MOU, according to Mr. Madden. Mr. Hillis advises that funds that are not required for the Trust Fund (the estimated \$9,600,000 difference between the budget appropriation and the commitment, plus the \$850,000 provided in the proposed MOU from the FY 1995-96 excess Trust Fund commitment, for a total of \$10,450,000) would be used to pay for the increased benefit costs contained in the proposed MOU. Mr. Hillis states that the City is essentially reducing Trust Fund contributions that have, in the past, been used to pay for the employee's share of fringe benefit costs, by directly "picking up" such costs as increased fringe benefits. The increased fringe benefits are analyzed in Item 17, File 93-96-29 of the Budget Analyst's September 10, 1996 report to the Government Efficiency and Labor Committee.

3. The proposed ordinance states that funds deposited to the Municipal Railway Improvement Fund would be used to improve operations, efficiency and service of Muni, which might include, but would not be limited to, such uses, specified in the proposed ordinance, as (1) implementation of the "Ambassador" program, which would establish a speaker's bureau of Muni employees to make presentations in the community, (2) implementation of the "Friends of Muni" program, which would establish an organization of Muni supporters in the public at large, similar to the Friends of the Library, or (3) for employee health facilities or (4) an employee child care facility. As stated above, the funds would be expended by the same individuals who serve as Trustees of the Municipal Railway Trust Fund, who include representatives of the City and the Transport Workers Union.

The proposed MOU specifically refers to the creation of the subject Improvement fund, and the potential uses outlined above. The proposed MOU further states that, if the City appropriates additional funds of up to \$500,000 to implement the "Ambassador" or "Friends of Muni" Programs, the Transport Workers Union will support the expenditure of a matching amount from the proposed Municipal Railway Improvement Fund for these programs. The proposed MOU

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does not commit the City to the expenditure of additional funds for these programs, however.

4. The proposed MOU would change the method of determining the amount of the contribution to the Trust Fund in FY 1997-98, FY 1998-99 and FY 1999-2000 (when the proposed MOU expires), pegging the amount of the contribution to the actual actuarially determined value of the difference between the benefits in the two highest paid transit systems and those provided by the City. In other words, the proposed MOU does not contain a specific dollar commitment to the Trust Fund after FY 1996-97, and establishes a calculation method that should preclude the need for a separate Improvement Fund such as that proposed in this ordinance, after FY 1996-97.

In the professional judgment of the Budget Analyst, the City should never have agreed to contribute more to the Municipal Railway Trust Fund than the value of benefits received in the two highest paying transit systems in the country, as surveyed by the Department of Human Resources. We strongly urge that the new method, which limits the contribution to the actuarially determined parity level with such other transit systems from FY 1997-98 through FY 1999-2000 when the proposed MOU expires, be included in all future MOUs with the Transport Workers Union.

5. Mr. Madden states that the Controller's Office would prefer that a separate trust fund not be established in the Administrative Code. However, Mr. Hillis states that the subject excess Trust Fund monies are part of MOU agreements, and that the purpose of establishing the Municipal Railway Improvement Fund is to ensure that such excess Trust Fund monies are expended by the same individuals who serve as Trustees of the Municipal Railway Trust Fund. However, Mr. Madden has also stated that the concerns expressed by Mr. Hillis can be addressed, and the aims of the MOU accomplished, without establishing a separate fund in the Administrative Code.

6. The creation of a Municipal Railway Improvement Fund pertains primarily to the deposit and appropriation of monies that were committed for the Trust Fund to Muni employees in the previous MOU. The Budget Analyst does not have significant objections either to the establishment of a Municipal Railway Improvement Fund as is being proposed in this subject ordinance or to the direct appropriation of the excess Trust Fund monies by the Board of Supervisors as recommended by the Controller. However, it should be noted

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that the establishment of the Improvement Fund is part of the proposed MOU, so a decision by the Board of Supervisors to directly appropriate the excess Trust Fund monies would in effect mean rejection of the proposed MOU. The Budget Analyst does not consider the provisions for establishment of the proposed Improvement Fund to be sufficient grounds for a recommendation to reject the proposed MOU.

7. However, the proposed ordinance establishing the Improvement Fund would implement specific provisions of the proposed MOU (Item 17, File 93-96-29 of the Budget Analyst's September 10, 1996 report to the Government Efficiency and Labor Committee), which has not yet been approved by the Board of Supervisors.

8. Because the Budget Analyst was provided with less than 24 hours to review the proposed MOU, which has major, long term fiscal impacts for the City, we have recommended to the Government Efficiency and Labor Committee that consideration of the MOU be continued to a special meeting on September 16, 1996, in order to provide additional time for the Budget Analyst to analyze and report to the Board of Supervisors on all of the fiscal impacts of the proposed MOU. Therefore, the Budget Analyst recommends that consideration of this subject proposed ordinance establishing a new Municipal Railway Improvement Fund be continued until such time as the proposed MOU has been approved by the Board of Supervisors.

Recommendation: In accordance with Comment No. 8 above, continue the proposed ordinance until such time as the proposed MOU has been approved by the Board of Supervisors.

Board of Supervisors
Budget Analyst

Item 9 - File 97-96-46

Departments: Human Resources Department (HRD)
Municipal Railway (Muni)

Item: Ordinance amending the Administrative Code to add a new Section 10.205 to establish a Municipal Railway Improvement Fund to receive, administer and expend the funds certified by the Controller and identified in the Memorandum of Understanding between the Transport Workers Union and the City and County of San Francisco effective July 1, 1996 as funds which the City agreed to pay into the Municipal Railway Trust Fund for FY 1994-95 and FY 1996-97 which exceed the level of permissible Municipal Railway Trust Fund payments.

Description: Maximum wages for Muni platform employees and coach or bus operators are established based on the average of the two highest wage schedules for comparable transit systems in the United States, pursuant to Charter Section A8.404. The Charter states that wages for each classification of such employees "shall not be in excess of the average of the two highest wage schedules." In practice, wages have been set to equal this average, (although in the proposed MOU wages are set somewhat below this level for the latter part of FY 1996-97).

Charter Section A8.404 further provides that, when the value of vacation, retirement and health service benefits is less than the value of such benefits provided by the two transit systems used for establishing wage schedules, a dollar amount, not to exceed the difference between the average value of the benefits package in the two comparable systems and the benefits package provided by the City, may be deposited into a Municipal Railway Trust Fund.

In practice the City has negotiated the amount of the contribution to the Municipal Railway Trust Fund prior to receiving an actuarial valuation of the benefits package. As a consequence, in both FY 1994-95 and FY 1995-96, the actuarial report showed that the City had agreed to contribute more to the Municipal Railway Trust Fund than could legally be contributed. The excess amount in FY 1994-95 was approximately \$809,000; the excess amount in FY 1995-96 was approximately \$1,400,000 to \$1,800,000 million, according to a draft actuarial report for FY 1995-96. A new proposed Memorandum of Understanding (MOU) with the Transport Workers Union (Item 17, File 93-96-29 on the September 10, 1996 Government Efficiency and Labor

Committee calendar) is currently before the Board of Supervisors, and the actuarial valuation has not been completed to measure the extent of any excess amount in FY 1996-97. (see Comment No. 2 for more details.)

The purpose of the proposed ordinance is to establish a separate Municipal Railway Improvement Fund to receive the excess funds committed to the Municipal Railway Trust Fund, and expend such funds based on direction from the same individuals who serve as Trustees for the Municipal Railway Trust Fund. The ordinance specifically refers to FY 1994-95 and FY 1996-97. See Comment No. 1 for an explanation of why FY 1995-96 is omitted, and see Comment No. 2 for more background on the anticipated FY 1996-97 situation.

Comments:

1. Mr. John Madden of the Controller's Office states that the excess committed funds above the level of permissible contributions to the Municipal Railway Trust Fund for FY 1994-95 (\$809,000) and FY 1995-96 (\$1,400,000 to \$1,800,000) are currently recorded to Muni's Fringe Benefit Account, although they are not currently backed by cash. In the proposed MOU (File 93-96-29) the Transport Workers Union has agreed to contribute the \$1,400,000 to \$1,800,000 FY 1995-96 excess Trust Fund monies to help meet the City's FY 1996-97 Municipal Railway Trust Fund commitment. Mr. Rich Hillis of the Mayor's Office states that the savings to the General Fund would be used to fund direct benefits included in the proposed MOU. (See Item 17, File 93-96-29 of the Government Efficiency and Labor Committee September 10, 1996 calendar for a discussion of the cost of benefits under the proposed MOU.) Therefore, the proposed ordinance does not include a FY 1995-96 contribution to the proposed Municipal Railway Improvement Fund.

2. The proposed MOU commits the City to contributing \$3,400,000, plus the \$1,400,000 to \$1,800,000 estimated in a draft actuarial report discussed above, to the Municipal Railway Trust Fund in FY 1996-97, for a total FY 1996-97 contribution of \$4,800,000 to \$5,200,000. Mr. Hillis states that, based on informal estimates prepared by himself and the Towers Perrin Company (the actuary who will conduct the formal valuation), the \$5,200,00 potentially committed to the Trust Fund for FY 1996-97 will not materially exceed the permissible deposit to the Trust Fund. Therefore, Mr. Hillis anticipates that no material deposit will be made to the proposed Municipal Railway Improvement Fund for FY 1996-97. However, the proposed ordinance would permit deposit of such excess funds to the proposed Municipal Railway

Improvement Fund, in the event that the actuarial valuation shows that too much money has been committed to the Trust Fund for FY 1996-97. The Budget Analyst cannot validate that a contribution will not be made to the proposed Municipal Railway Improvement Fund in FY 1996-97, in the absence of an actuarial valuation.

The FY 1996-97 Muni budget contains \$13,850,000 for the Trust Fund, but only an estimated \$5,200,000 would be required under the proposed MOU, according to Mr. Hillis. Mr. Hillis advises that funds that are not required for the Trust Fund (the estimated \$8,650,000 difference between the budget appropriation and the commitment, plus the \$1,800,000 provided in the proposed MOU from the FY 1995-96 excess Trust Fund commitment, for a total of \$10,450,000) would be used to pay for the increased benefit costs contained in the proposed MOU. Mr. Hillis states that the City is essentially reducing Trust Fund contributions that have, in the past, been used to pay for the employee's share of fringe benefit costs, by directly "picking up" such costs as increased fringe benefits. The increased fringe benefits are analyzed in Item 17, File 93-96-29 of the Budget Analyst's September 10, 1996 report to the Government Efficiency and Labor Committee.

3. The proposed ordinance states that funds deposited to the Municipal Railway Improvement Fund would be used to improve operations, efficiency and service of Muni, which might include, but would not be limited to, such uses, specified in the proposed ordinance, as (1) implementation of the "Ambassador" program, which would establish a speaker's bureau of Muni employees to make presentations in the community, (2) implementation of the "Friends of Muni" program, which would establish an organization of Muni supporters in the public at large, similar to the Friends of the Library, or (3) for employee health facilities or (4) an employee child care facility. As stated above, the funds would be expended by the same individuals who serve as Trustees of the Municipal Railway Trust Fund, who include representatives of the City and the Transport Workers Union.

The proposed MOU specifically refers to the creation of the subject Improvement fund, and the potential uses outlined above. The proposed MOU further states that, if the City appropriates additional funds of up to \$500,000 to implement the "Ambassador" or "Friends of Muni" Programs, the Transport Workers Union will support the expenditure of a matching amount from the proposed Municipal Railway

Improvement Fund for these programs. The proposed MOU does not commit the City to the expenditure of additional funds for these programs, however.

4. The proposed MOU would change the method of determining the amount of the contribution to the Trust Fund in FY 1997-98, FY 1998-99 and FY 1999-2000 (when the proposed MOU expires), pegging the amount of the contribution to the actual actuarially determined value of the difference between the benefits in the two highest paid transit systems and those provided by the City. In other words, the proposed MOU does not contain a specific dollar commitment to the Trust Fund after FY 1996-97, and establishes a calculation method that should preclude the need for a separate Improvement Fund such as that proposed in this ordinance, after FY 1996-97.

In the professional judgment of the Budget Analyst, the City should never have agreed to contribute more to the Municipal Railway Trust Fund than the value of benefits received in the two highest paying transit systems in the country, as surveyed by the Department of Human Resources. We strongly urge that the new method, which limits the contribution to the actuarially determined parity level with such other transit systems from FY 1997-98 through FY 1999-2000 when the proposed MOU expires, be included in all future MOUs with the Transport Workers Union.

5. Mr. Madden states that the Controller's Office would prefer, for administrative ease, that the subject excess contributions to the Trust Fund be appropriated by the Board of Supervisors, rather than establishing a separate Improvement Fund as proposed in this ordinance. However, Mr. Hillis states that the subject excess Trust Fund monies are part of MOU agreements. Mr. Hillis further states that the purpose of establishing the Municipal Railway Improvement Fund is to ensure that such excess Trust Fund monies be expended by the same individuals who serve as Trustees of the Municipal Railway Trust Fund.

6. The creation of a Municipal Railway Improvement Fund pertains primarily to the deposit and appropriation of monies that were committed for the Trust Fund to Muni employees in the previous MOU. The Budget Analyst does not have significant objections either to the establishment of a Municipal Railway Improvement Fund as is being proposed in this subject ordinance or to the direct appropriation of the excess Trust Fund monies by the Board of Supervisors as recommended by the Controller. However, it should be noted

that the establishment of the Improvement Fund is part of the proposed MOU, so a decision by the Board of Supervisors to directly appropriate the excess Trust Fund monies would in effect mean rejection of the proposed MOU. The Budget Analyst does not consider the provisions for establishment of the proposed Improvement Fund to be sufficient grounds for a recommendation to reject the proposed MOU.

7. However, the proposed ordinance establishing the Improvement Fund would implement specific provisions of the proposed MOU (Item 17, File 93-96-29 of the Budget Analyst's September 10, 1996 report to the Government Efficiency and Labor Committee), which has not yet been approved by the Board of Supervisors.

8. Because the Budget Analyst was provided with less than 24 hours to review the proposed MOU, which has major, long term fiscal impacts for the City, we have recommended to the Government Efficiency and Labor Committee that consideration of the MOU be continued to a special meeting on September 16, 1996, in order to provide additional time for the Budget Analyst to analyze and report to the Board of Supervisors on all of the fiscal impacts of the proposed MOU. Therefore, the Budget Analyst recommends that consideration of this subject proposed ordinance establishing a new Municipal Railway Improvement Fund be continued until such time as the proposed MOU has been approved by the Board of Supervisors.

Recommendation: In accordance with Comment No. 8 above, continue the proposed ordinance until such time as the proposed MOU has been approved by the Board of Supervisors.

Item 10 - File 13-96-32.2

Item: Hearing to consider the impact of Federal Block Grants and Federal Welfare "Reform" on San Francisco's low income children, youth and families, and to consider actions that can be taken at the local level to protect the public safety net; to consider the findings and recommendations of a report prepared by Coleman Advocates for Children and Youth, in collaboration with other community groups.

Description: Attachment I is a summary report, prepared by the Department of Human Services (DHS), which provides the DHS's rough estimate of the number of persons in San Francisco that could lose various types of assistance (e. g. Aid to Dependent Children, Medi-Cal benefits, and Food Stamp benefits) as a result of the Federal welfare reform . The DHS report states "The federal welfare reform bill could cut off assistance to as many as 37,000 San Francisco residents currently receiving medical, food and financial benefits. The effect will be especially felt by large numbers of elderly legal immigrants who will lose this financial support. The cost of the county-funded General Assistance program may increase by \$74 million as a result of the federal government's abdication of responsibility".

Coleman Advocates for Children and Youth, a non-profit agency, in collaboration with other non-profit organizations, private sector agencies and consumers, has prepared a report entitled the "San Francisco Safety Net". This report makes certain findings and recommendations regarding the impact Federal Block grants and Federal welfare reform will have on services to children, families, immigrants and the elderly.

Attachment II is the "Introduction" to the report prepared by Coleman Advocates for Children and Youth in collaboration with other private and non-profit agencies. This introduction provides a summary of the report's findings on some of the broad impacts of Federal block grants and the Federal welfare reform on children, families, immigrants and the elderly.

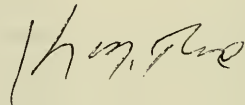
Attachment III, provided by the DHS, lists the State's major options regarding various policy issues under the Federal Welfare Reform.

Attachment IV, provided by the DHS, is a summary of the major provisions of the Federal Welfare Reform.

Memo to Budget Committee
September 11, 1996 Budget Committee Meeting

Comment:

Mr. Jeff Mori Director of the Mayor's Office of Children, Youth and Families (MOCYF) advises that the MOCYF is working in collaboration with the DHS, the Department of Public Health, the San Francisco Housing Authority, various offices of the Mayor, the Commission on Aging and the Private Industry Council to (1) analyze the potential impacts of the Federal block grants and Federal Welfare Reform on San Francisco's children, youth and families and (2) establish a joint planning process to address such impacts. Mr. Mori states that the MOCYF is currently in the process developing a report on the impact of Federal Welfare Reform on child care services. According to Mr. Mori, this report will be completed by the MOCYF in approximately three weeks.



Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Kaufman
Supervisor Bierman
President Shelley
Supervisor Alioto
Supervisor Ammiano
Supervisor Brown
Supervisor Katz
Supervisor Leal
Supervisor Teng
Supervisor Yaki
Clerk of the Board
Chief Administrative Officer
Controller
Mike Martin
Paul Horcher
Ted Lakey

WELFARE REFORM IMPACT ON SAN FRANCISCO

The federal welfare reform bill could cut off assistance to as many as 37,000 San Francisco residents currently receiving medical, food and financial benefits. The effect will be especially felt by large numbers of elderly legal immigrants who will lose this financial support. The cost of the county-funded General Assistance program may increase by \$74 million as a result of the federal government's abdication of responsibility.

Elderly and Disabled Immigrants No Longer Eligible for SSI

15,700 SSI recipients may no longer be eligible for assistance because they are not citizens. These elderly, blind and disabled people will not only lose their modest income, but will lose their health insurance through Medi-Cal and social services such as In Home Supportive Services that allow the frail to stay in their home rather than in more costly nursing homes or hospitals.

Immigrant Families Lose AFDC Benefits

1,100 adults and 2,200 children will no longer be eligible for AFDC because they are not citizens if California implements this optional reform. The parents in these families will no longer be eligible for even the most basic job training programs or child care subsidies that would allow for the care of their children while they look for a job. Many of these families will need to turn to GA for cash assistance, but they will not be eligible for Food Stamps or Medi-Cal.

Medically Needy Immigrants Lose Medi-Cal Benefits

In addition to the SSI and AFDC clients, 8,800 medically needy individuals who are not on any other form of welfare will lose their Medi-Cal coverage, for a total of over 26,000 people losing Medi-Cal coverage if the House version of the bill passes. (The Senate version gives states the option to eliminate immigrant Medi-Cal eligibility.) Since their medical needs will still need to be addressed, the county will be forced to cover the cost at county hospitals and clinics.

Immigrants and Unemployed Single Adults Lose Food Stamp Benefits

As many as 1,700 non-citizen Food Stamp recipients and 3,900 single adult Food Stamp recipients will lose eligibility for the most basic support program the government provides (single adults will receive benefits for a limit of: 3 months). Without food stamps, people will have to turn to the already overburdened food banks and soup kitchens. They will also have to spend more of their low income on food, reducing their ability to pay for other necessities including rent and clothing.

Long Term AFDC Families Lose Benefits

Based on current caseload characteristics, it is estimated that as many as 3,200 AFDC families may permanently lose eligibility to the program due to the five year limitation on lifetime aid.

County-funded General Assistance to Increase Dramatically

Altogether, local General Assistance costs could increase by as much as \$74 million during the first 12 months of welfare reform by adding the 19,000 clients displaced from federal programs. Clearly, this 254% increase in GA would impact San Francisco's ability to provide other necessary support services to the poor, such as job training, preventive medical services and economic development.

In addition to the provisions regarding immigrants, under the proposed bills all employable persons would be required to work within two years. While there is a need to move more welfare recipients into jobs, there is not an adequate increase in resources to enable counties to provide the necessary support such as child care, job training, transportation and case management. The bill imposes unrealistic implementation dates in light of the need to build local system capacity to meet newly created work participation standards.

DISMANTLING THE PUBLIC SAFETY NET

Introduction

President Clinton's signing of the welfare bill on August 22, 1996 ends the federal guarantee of assistance to poor children, immigrants and the elderly, and will impact all Americans as it takes effect. It is clear that local communities will have to work together quickly and effectively in order to minimize the damage from the welfare bill.

In its final version, H.R. 3734, now known as the Personal Responsibility and Work Opportunity Act of 1996 (hereinafter the "PRA"), repeals the AFDC, Emergency Assistance and JOBS programs (Title I), impacts SSI (Title II), child support enforcement (Title III), aliens (Title IV), child protection (Title V), child care (Title VI), child nutrition programs (Title VII) and food stamps (Title VIII). While it is too soon to accurately assess or predict all of the ramifications of this new law on the city and county of San Francisco, a brief look back at the predecessors to this new law gives ample cause for alarm. As originally drafted, the Personal Responsibility Act, would have cut off 1.2 million of the nation's children (2/3 of those on AFDC) from all benefits, and deprived lawful immigrant children of all AFDC and food stamp benefits.^{5 6} Also, under this bill, after two years the maximum grant for a family of three would be \$350 per month, 54.5% below 1989 levels.⁷ Subsequently, under a bill proposed by former Senator Bob Dole - 157,437 children with disabilities that currently receive SSI (18% of the caseload) would lose all cash and medical benefits within a year after implementation; 21% of the new applicants for children's SSI will be denied between FY 1996-2000 (225,750 children), 9% of the children who currently receive SSI would lose all assistance (5,987 children with disabilities), and in California 11% of the new applicants would be denied assistance between FY 1996-2000.⁸ AFDC funding under the Dole bill was similarly bleak. California children would be denied AFDC after the family has received AFDC for more than 24 months, 512,000 children born to current AFDC recipients will be denied and 13,250 children will be denied because they were born to unmarried mothers under 18 years of age.⁹ Overall, prior experiences in New York suggest that California will suffer \$12 billion in cuts over the next five years, lose some 120,000 jobs, and experience a general slowdown in the economy.¹⁰

By all indications San Francisco will be profoundly impacted by block grant funding. In speaking of pending block grant proposals, the San Francisco Department of Social Services reported that funding for job training, housing assistance and education programs would be cut by approximately \$51 million. Reductions in cash assistance to poor families, the elderly and disabled individuals would reduce the income in the city by about \$10 million, and that welfare funding for cash assistance, child welfare services and food stamps will be reduced by \$14 billion over five years. The California Budget Project reports that AFDC grant reductions proposed by the Governor will effect some 21,000 San Francisco kids and reduce county funds by almost \$6.5 million dollars; SSI/SSP grant reductions are expected to reduce county revenues by more than \$22.5 million. Early analyses of the overall impact of block grant funding suggest that by the year 2000 the city's revenues may be reduced by as much as \$460 million. Similarly, San Francisco is seen as being at risk of losing \$3,483,464 in Child Care Food Program funds, Food Stamp and WIC benefits. These programs contribute an estimated \$54,633,792 annually to San Francisco's food retail economy, while school lunch and breakfast funds bring in about \$9,265,569

to San Francisco's economy.¹¹ Beyond the hardships created for the city's poor and low income families, revenue reductions of this magnitude will have substantial negative impacts on the city's economy as a whole. In spite of these early warning signs, as a city little is being done to mediate or anticipate block grant funding. In particular, the city's various departments have made no discernable effort to engage in the strategic, collaborative planning among themselves, let alone with the larger community, that block grant funding schemes demand.

Major State Options under Welfare Reform

Work-related Options

- * States can decide when to require TANF adults to go to work or be cut off aid, not later than after 24 months on aid
- * States can decide to require community service (as defined by state) of TANF recipients after 2 months on aid
- * States can waive work requirements (and time limits) for victims of domestic violence
- * States can decide whether to require a single parent caring for a child under 1 year to engage in work
- * States can reduce or terminate aid to individuals who are not working/refuse to participate in work activities
- * States can cut off Medicaid if a parent doesn't participate in TANF work requirements

Immigrant Options

- * States will decide whether to provide assistance to legal immigrants under the TANF and Medi-Cal programs.
- * States can take legislative action to allow for illegal immigrant eligibility to state or local programs.
- * States can decide if legal immigrants are eligible for any state or local public benefit program and have the option of applying deeming provisions to state or local programs.
- * While not explicitly a part of the bill, California can change its IHSS eligibility regulations so that there is no SSI link, which would maintain IHSS eligibility for many immigrants losing SSI.

Other Options

- * States may reduce or terminate aid to families that do not cooperate in paternity establishment/child support collection
- * States have flexibility in the use of funds and allocation of block grant to counties
- * States are allowed to use funds to provide vouchers for the needs of children whose families are cut off assistance after 5 years on aid.
- * State could enforce child support orders against parents of minor parents (grandparents).
- * If a head of household becomes ineligible for food stamps, the state may make the entire household ineligible
- * States may test welfare recipients for drug use and sanction those who test positive
- * States may use funds to provide vouchers to children after time limit or family cap goes into effect

1996 Welfare Reform Major Provisions

Program	Time Limits	Work Requirements	Immigrant Eligibility	Other Changes
Temporary Assistance to Needy Families (TANF)	<ul style="list-style-type: none"> 5 year (whether or not consecutive) lifetime time limit. Must work after 2 years (or earlier at state's option) on aid or lose assistance. States may provide vouchers to families that are cut off of assistance due to time limits. 	<ul style="list-style-type: none"> 25% of single parent families must work 20 hours/week by 1997, rising to 50% of families working 30 hours/week by 2002. 75% of two parent families must work 35 hours/week by 1997, rising to 90% of families working 35 hours/week by 1999. A single parent with a child under 6 years cannot be sanctioned for not working if parent is unable to find childcare (but parent can be required to work otherwise). A single parent with child under one year may receive a one time exception from work requirement. 	<ul style="list-style-type: none"> State must decide if it will serve legal immigrants in state plan. Current legal immigrants may be cut off on January 1, 1997 at state option. If state chooses to serve legal immigrants, they will maintain eligibility. New legal immigrants will be denied assistance for 5 years after entry into country. After that, they may be denied assistance, at state option. If state chooses to provide assistance, income of sponsor will be deemed available to immigrant. Certain legal immigrants will retain eligibility (refugees and asylees for 5 years, veterans or active duty military and those who have worked 40 qualifying quarters). All illegal immigrants are ineligible. 	<ul style="list-style-type: none"> Block grant at FFY 1994 level will replace AFDC entitlement program beginning October 1, 1996. Family must cooperate in child support collection/paternity establishment. Each recipient must have an Individual Responsibility Plan which sets employment goals and other obligations.

1996 Welfare Reform Major Provisions

Program	Time Limits	Work Requirements	Immigrant Eligibility	Other Changes
Supplemental Security Income (SSI)	None specified.	None specified.	<ul style="list-style-type: none"> Legal immigrants will become ineligible for SSI until citizenship. Current legal immigrants will lose eligibility at recertification (within one year of enactment). Certain legal immigrants will retain eligibility (refugees and asylees for 5 years, veterans or active duty military and those who have worked 40 qualifying quarters). All illegal immigrants are ineligible. 	<ul style="list-style-type: none"> Child disability is changed based on medical definition, not individual functionality assessment. Increases sanctions for fraud. Makes incarcerated prisoners ineligible for aid. New applications are effective on the first day of the month after submitted or approved. Large lump sum retroactive payments will be made in 3 installments.
Food Stamps	<ul style="list-style-type: none"> Able bodied adults without children are limited to 3 months of eligibility in a 3 year period unless they are working. For current recipients, the 3 months begins upon date of enactment. 	<ul style="list-style-type: none"> Able bodied adults without children must work at least 20 hours per week. 	<ul style="list-style-type: none"> Provisions are the same as SSI. 	<ul style="list-style-type: none"> If a sanction occurs in another program, state may apply similar sanctions in food stamps. If a cash grant is reduced due to non-compliance, food stamp allocation may not increase.

1996 Welfare Reform Major Provisions

Program	Time Limits	Work Requirements	Immigrant Eligibility	Other Changes
Medicaid (Medi-Cal)	None specified.	<ul style="list-style-type: none"> At state option, may cut off Medicaid assistance if parent doesn't participate in TANF work requirements. Child would retain eligibility. 	<ul style="list-style-type: none"> Provisions are the same as TANF. In addition, emergency medical care and public health services are available to legal and illegal immigrants. 	<ul style="list-style-type: none"> A state may change Medicaid eligibility rules as long as they are no more restrictive than levels in effect during May 1988. Medical coverage must be provided to TANF families that become ineligible due to increased earnings or child support.

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REGULAR MEETING
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

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WEDNESDAY, SEPTEMBER 18, 1996 - 1:00 P.M.

VETERANS BUILDING
401 VAN NESS AVENUE
ROOM 410

MEMBERS: SUPERVISORS TOM HSIEH, BARBARA KAUFMAN, SUE BIERMAN

CLERK: GREGOIRE HOBSON

TIME MEETING CONVENED: 1:14 P.M.

RELEASE OF RESERVED FUNDS

1. File 94-91-8.10. [Reserved Funds, Municipal Railway] Consideration of release of reserve, Municipal Railway (Federal Grant), in the amount of \$90,000 to continue the implementation of the Station Agents Booths Project. (Municipal Railway)

SPEAKER: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst.

(Consideration continued from 9/4/96)

ACTION: HEARING HELD. RELEASE OF \$90,000 APPROVED. FILED.

VOTE: 3-0.

2. File 101-92-10.8. [Reserved Funds, Public Library] Consideration of release of reserve, Public Library (1099 Library Improvement Bond Program), in the amount of \$39,000 for costs associated with the secondary phase of the move from the old Main Library, involving the relocation of items to various branch libraries and for miscellaneous projects necessary to finish clearing out the old Main Library. (Public Library)

SPEAKERS: None.

ACTION: CONSIDERATION CONTINUED TO THE CALL OF THE CHAIR.

VOTE: 3-0.

FISCAL

3. File 101-96-2. [Appropriation, Board of Supervisors] Ordinance appropriating \$102,000, Board of Supervisors, from a General Fund Reserve established for the Youth Commission for salaries, fringe benefits, travel, training, rent, other current expenses, materials and supplies, equipment purchase and services of other departments, for the creation of one (1) position for the Youth Commission, Board of Supervisors for fiscal year 1996-97. (Controller) RO #96055 (COMPANION TO THE FOLLOWING FILE)

SPEAKERS: ELECTED OFFICIAL: Honorable Michael Yaki.

DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Matt Onek, Acting Director, Youth Commission; Julia Boyd HIV Commission. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. Reduce Rent from \$13,500 to \$9,000 and place remaining \$4,500 ON RESERVE. AMENDED TITLE: "Ordinance appropriating \$102,000, Board of Supervisors, from a General Fund Reserve established for the Youth Commission for salaries, fringe benefits, travel, training, rent, other current expenses, materials and supplies, equipment purchase and services of other departments, for the creation of one (1) position for the Youth Commission, Board of Supervisors for fiscal year 1996-97; placing \$4,500 on reserve." (Add Supervisors Yaki, Alioto and Bierman as co-sponsors.)

VOTE: 3-0.

4. File 102-96-3. [Salary Ordinance Amendment, Board of Supervisors] Ordinance amending Ordinance No. 298-96 (Annual Salary Ordinance 1996/97), reflecting the creation of one (1) position (Classification 1361 Special Assistant II) in the Board of Supervisors, Youth Commission. (Department of Human Resources) (COMPANION TO THE PRECEDING FILE)

SPEAKERS: ELECTED OFFICIAL: Honorable Michael Yaki.

DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Matt Onek, Acting Director, Youth Commission; Julia Boyd HIV Commission. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED. (Add Supervisors Yaki, Alioto and Bierman as co-sponsors.)

VOTE: 3-0.

Conference with City Attorney
Anticipated Litigation as Plaintiff or Defendant

The Budget Committee may meet in closed session under the provisions of Government Code Section 54956.9(b) to discuss with the City Attorney the significant exposure to litigation involving the City and County that exists regarding the design for, and construction of, the new Sheriff's facility.

Motion

5a.

Motion that the Budget Committee convene in closed session with the City Attorney to discuss the significant exposure to litigation involving the City and County that exists regarding the design for, and construction or, the new Sheriff's facility.

Question on adoption Adopted

VOTE: 3-0.

After a Closed Session, if one occurs, the
Committee shall adopt Motion (b) or Motion (c).

5b.

Motion that the Committee finds that it is in the best interest of the public that the Board elects at this time not to disclose its closed session deliberation concerning the possible litigation.

Question on adoption Adopted

VOTE: 3-0.

5c.

Motion that the Committee finds that it is in the public interest to disclose information discussed in closed session, and directs the Chair of the Committee immediately to disclose that information.

Question on adoption

TIME MEETING ADJOURNED: 1:51 P.M.

Attn:

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BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

September 13, 1996

TO: Budget Committee

FROM: Budget Analyst *Recommendation for meeting*

SUBJECT: September 18, 1996 Budget Committee Meeting

Item 1 - File 94-91-8.10

Note: This item was continued by the Budget Committee at its meeting of September 4, 1996.

Department: Public Utilities Commission (PUC)
Municipal Railway (MUNI)

Item: Hearing to consider the request for the release of reserved funds in the amount of \$90,000 for the Station Agent Booth Improvement Project.

Amount: \$90,000

Source of Funds: Previously reserved surplus Federal Section 9 Capital Assistance Funds

Description: In January of 1992, the Board of Supervisors approved Resolution No. 3-92 (File 94-91-8) authorizing the Public Utilities Commission (PUC) to apply for, accept, and expend Federal Section 9 Capital Assistance Funds in the amount of \$26,819,276, and \$6,704,819 in required State and or local match funds, for a total of \$33,524,095. The total of \$33,524,095 was placed on reserve pending the selection of contractors, the MBE/WBE status of the contractors, and the submission of contract cost details. Of the \$33,524,095,

\$5,381,000 was specifically reserved for fixed-facility MUNI rehabilitation projects, including the Station Agent Booth Improvement Project. Under the Station Agent Booth Improvement Project, a Heating, Ventilation and Air Conditioning (HVAC) system, and a security system were installed in each of the 16 Station Agent Booths located in the MUNI Metro system between the West Portal and Embarcadero Stations. This work was completed in May of 1994.

However, Mr. Bill Nielson of MUNI advises that due to insufficient funding, the initial HVAC system did not include a permanent condensation removal system.

Ms. Gail Bloom of MUNI advises that because MUNI realized cost efficiencies in other fixed-facility MUNI rehabilitation projects, there is currently \$90,000 in previously reserved surplus funds, available to implement a permanent condensation disposal system as part of the HVAC system.

Budget:

Mr. Bill Nielson advises that the proposed installation of a permanent condensation disposal system, for the Heating, Ventilation and Air Conditioning system at the MUNI's 16 Station Agent Booths, will be performed by Department of Public Works (DPW) and MUNI personnel on an in-house basis.

The budget for the proposed \$90,000 for the Station Agent Booth Improvement Project is as follows:

	<u>No. of Hours</u>	<u>Hourly Rate</u>	<u>Total</u>
<u>In-house DPW Personnel</u>			
7213 Plumber Supervisor I	80	\$48.89	\$3,911
7347 Plumber	400	43.48	17,392
7378 Tile Setter	40	34.41	1,376
7311 Cement Mason	<u>40</u>	33.09	<u>1,324</u>
Subtotal DPW Personnel	560		\$24,003
<u>In-house MUNI Personnel</u>			
7215 General Laborer Supervisor	120	\$29.78	3,574
7514 General Laborer	600	27.32	16,392
5254 Associate Mech. Engineer	150	43.48	6,522
5266 Architectural Associate II	56	43.29	2,424
5364 Civil Engineering Associate I	150	33.24	4,986
6318 Construction Inspector	40	43.49	1,740
7346 Painter	<u>40</u>	34.26	<u>1,370</u>
Subtotal MUNI Personnel	1,156		\$37,008
Total Personnel	1,716		\$61,011*
Materials			
(\$15,000 for steel piping, and \$5,000 for paint and concrete to refinish the areas in the vicinity of the Station Agent Booths after the installation of the permanent condensation disposal system)			20,000
Contingency			<u>9,000</u>
Total			\$90,011**

* Fringe Benefits included in hourly rates

** Although the actual budget is for an amount of \$90,011, the Department is only requesting the release of \$90,000 in reserved funds.

Comment: In the recently completed Management Audit of MUNI by the Budget Analyst, the Budget Analyst recommended that MUNI explore what steps could be implemented immediately to improve the working conditions in the Station Agent Booths, citing, for example, air conditioning malfunctions.

Recommendation: Approve the proposed release of reserved funds.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 2 - File 101-92-10.8

Department: Public Library

Item: Hearing to consider release of reserved funds, Public Library (1988 Library Improvement Bond Program), in the amount of \$39,000 for costs associated with the secondary phase of the move from the Old Main Library, involving the relocation of items to various Branch Libraries and for miscellaneous projects necessary to finish clearing out the old Main Library building.

Amount: \$39,000

Description: In October of 1995 the Board of Supervisors approved a request to release \$409,728 from reserve for the primary phase of the relocation from the old Main Library to the new Main Library (File 101-92-10.7). At that time, the Board of Supervisors continued to reserve \$39,000 in 1988 Library Improvement Bond Program funds for the secondary phase of the relocation, pending the selection of a contractor, and the submission of budget details and information regarding the MBE/WBE status of the contractor to the Board of Supervisors.

The Public Library does not yet have the required information for the Board of Supervisors. Ms. Mary Downey of the Public Library requests that the proposed release of reserve be continued to the call of the Chair.

Recommendation: Continue to the call of the Chair, pending submission of contractor's MBE/WBE status and budget details.

Items 3 and 4 - Files 101-96-9 and 102-96-3

Department: Board of Supervisors

Item: **File 101-96-9** - Supplemental appropriation ordinance appropriating \$102,000 from the General Fund Reserve established in the FY 1996-97 budget by the Board of Supervisors in order to fund Youth Commission salaries, fringe benefits, travel, training, rent, other current expenses, materials and supplies, equipment purchase, and services of other departments. The proposed ordinance also funds one new position for the Youth Commission under the Board of Supervisors for Fiscal Year 1996-97.

File 102-96-3 - Ordinance amending the FY 1996-97 Annual Salary Ordinance to create one new position, Classification 1361, Special Assistant II, for the Youth Commission under the Board of Supervisors.

Amount: \$102,000

Source of Funds: General Fund Reserve Established in the FY 1996-97 budget

Description: The proposed supplemental appropriation ordinance would provide funds to the Youth Commission for the period October 1, 1996, through June 30, 1997, for permanent salaries and fringe benefits for one new Special Assistant II, and for other related expenses, as follows:

Permanent Salaries	\$23,901
Temporary Salaries	10,140
Mandatory Fringe Benefits	8,224
Travel	4,000
Training	2,000
Property Rent	13,500
Other Current Expenses	9,350
Other Materials & Supplies	7,234
Other Office Equipment	7,266
Services of Other Departments	<u>16,385</u>
Total	<u>\$102,000</u>

In addition, the proposed ordinance (102-96-3) would amend the FY 1996-97 Annual Salary Ordinance to add one new position Classification No. 1361, Special Assistant II, as follows:

BOARD OF SUPERVISORS
BUDGET ANALYST

<u>No. of Positions</u>	<u>Title</u>	<u>Biweekly Salary</u>	<u>Maximum Annual Salary</u>
1	Special Assistant II	\$1,018 - \$1,232	\$32,155

During the FY 1996-97 budget process, \$150,000 was allocated to fund the operating costs of a new Youth Commission, which had been established under the Board of Supervisors. Of the \$150,000 allocation, \$48,000 was appropriated to fund the position of Director, Youth Commission, Classification No AB32. The remaining \$102,000 was placed in a General Fund Reserve, pending the development of an operating budget showing how the funds were to be expended.

In addition to the Director's position, which has previously been approved and funded in the FY 1996-97 budget, this request of \$102,000 includes \$23,901 to fund the salary for a second position, a Special Assistant II, for 19.4 pay periods, from October 1, 1996, to June 30, 1997. This Special Assistant II position will serve as the Assistant to the Director and will have the following responsibilities:

- a. Overseeing official Commission business;
- b. Assisting in the supervision of temporary staff and volunteers;
- c. Overseeing computer systems and develop computer databases
- d. Coordinating Office Management
- e. Assisting in the coordination of special events

Temporary Salary costs of \$10,140 are also being requested. According to Mr. Matt Onek, Director, Youth Commission, Temporary Salaries are needed to fund five youth interns, who would each work eight hours per week for approximately 39 weeks, or a total of 1,560 hours, at a cost of approximately \$6.50 per hour

The Director of the Youth Commission reports to a 17-member Youth Commission who serve without compensation. Travel costs are requested in the amount of \$4,000 to cover the attendance of commissioners at conferences and special events both within the State and out-of-State. The Attachment to this report contains the details of this \$4,000 funding request for travel.

Training costs are requested at \$2,000 for leadership training on parliamentary procedures, local government, and

BOARD OF SUPERVISORS
BUDGET ANALYST

computer training. The Attachment to this report contains the details of this \$2,000 funding request for Training.

Rent is requested at \$13,500, which would provide \$1,500 per month for nine months for office space beginning in October of 1996. Mr. Onek reports that he is currently working out of a small office in the War Memorial. The leased location is currently unknown.

Other Current Services are requested at \$9,350 and include funding for such items as copier rental, printing, postage, subscriptions, and miscellaneous expenses such as costs for sponsoring public forums and community events.

Materials & Supplies, requested at \$7,234, include office supplies, a fax machine, two VDT chairs, a typewriter, and computer supplies.

Equipment, requested at \$7,266, would fund three personal computers and a computer printer.

Services of Other Departments, budgeted at \$16,385, would fund costs for telephone installation and use (\$10,000), Reproduction (\$2,385), Mail Services (\$2,000), and Relocation Service (\$2,000).

Comments:

1. The Youth Commission was established by vote of the City's electorate in the November, 1995, election (Proposition F). The Commission operates under the jurisdiction of the Board of Supervisors. The Commission consists of 17 voting members, each of whom is required to be between the ages of 12 and 23 years at the time of appointment. Each member of the Board of Supervisors and the Mayor appoint one member to the Commission. The Mayor also appoints five additional members from underrepresented communities to ensure that the Commission represents the diversity of the City. Commission members serve at the pleasure of their appointing authorities.

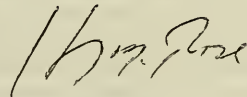
2. According to the legislation establishing the Youth Commission, the purpose of the Commission is to collect information relevant to advising the Board of Supervisors and the Mayor on the effect of legislative policies, programs, and budgets on the children and youth of San Francisco. Prior to taking action on any matter that primarily affects children and youth in the City, the Clerk of the Board of Supervisors refers the matter to the Commission for comments and recommendations. The Commission is

required to provide any response it deems appropriate to the Board of Supervisors within 12 days of the date referred.

3. According to Mr. Harry Quinn of the Department of Real Estate, the earliest space could be obtained for the Youth Commission would be November 1, 1996. Further, according to Mr. Quinn, based on the space requirement information provided by the Director, approximately 900 square feet of office space at approximately \$1.25 per square foot per month, or \$1,125 per month, would provide adequate space for the Youth Commission. Therefore, the requested amount of \$13,500 for rent, which would provide funding for nine months at \$1,500 per month should be reduced by \$4,500 to the sum of \$9,000, which would provide funding for eight months (from November 1, 1996 through June 30, 1997) at \$1,125 per month.

4. Representatives of the Department of Telecommunications and Information Services have verified the reasonableness of the \$10,000 in funding for telephone equipment installation and phone usage.

- Recommendations:**
1. In accordance with Comment No. 3, amend the proposed supplemental appropriation request by reducing funding for rent by \$4,500, from \$13,500 to \$9,000 and by reducing the total request of \$102,000 by \$4,500 to \$97,500.
 2. Approve the supplemental appropriation request, as amended (File 101-96-9).
 3. Approve the amendment to the Annual Salary Ordinance. (File 102-96-3).



Harvey M. Rose

cc: Supervisor Hsieh	Supervisor Yaki
Supervisor Kaufman	Clerk of the Board
Supervisor Bierman	Chief Administrative Officer
President Shelley	Controller
Supervisor Alioto	Mike Martin
Supervisor Ammiano	Paul Horcher
Supervisor Brown	Ted Lakey
Supervisor Katz	
Supervisor Leal	
Supervisor Teng	

BOARD OF SUPERVISORS
BUDGET ANALYST

SEP-12-1996 13:53

BOARD OF SUPERVISORS

YOUTH COMMISSION



401 Van Ness Avenue, Room 308
San Francisco 94102-4532
554-6446

To: Stanton Jones
Budget Analyst's Office

From: Matt Onek
Acting Director, Youth Commission

Date: September 12, 1996

Re: Budget Items in the Supplemental Appropriation

As requested, I am providing details on several budget items in the supplemental appropriation for the Youth Commission.

The \$4,000 proposed for "Travel" will enable Commissioners and staff to attend various conferences throughout the state and country. There is a Bay Area Multi-County Youth Commission Conference each spring and a State Youth Commission Conference each fall. While the conferences provide some services for the Commissioners, registration, travel, meals, and overnight expenses (for the State Conference) likely will not be covered. I expect that two staff and approximately ten to fifteen Commissioners will attend these conferences. Approximate cost, including accommodations during the State conference: \$1,250-\$1,750.

Furthermore, the Commission would like to send Commissioners to youth-related conferences in the state and throughout the country. This year, because the Commission had yet to secure a budget, the Mayor's Office paid for the Chair of the Commission to attend the national Stand for Children March in Washington, D.C. (at the cost of approximately \$1000-\$1200). Over the next several months, Commissioners should have the opportunity to participate in, speak at, and represent the youth of San Francisco at similar events. Approximate cost for travel and accommodations for one or two national events and two or three state conferences: \$1,750-2,250.

Finally, there will be an overnight retreat and training for new Commissioners, to be appointed in the spring of 1997, at which all 17 Commissioners will need sleeping accommodations and meals. Approximate cost: \$1,000-1,500 (based on accommodations through San Francisco State's Guest Services).

SEP-12-1996 13:59

BOARD OF SUPERVISORS

The \$2,000 proposed for "Training" will enable Commissioners to gain critical leadership, team-building, local government, and computer training. The Youth Leadership Institute, which has provided training for many youth organizations including the Marin County Youth Commission, has offered to provide comprehensive training for the new Youth Commissioners in the spring. The training, likely in the form of a two-day retreat and several follow-up sessions, would cost between \$1000-\$1,500.

While some training on local government -- how a city works -- and youth issues have been secured free of charge, several agencies would require minimal reimbursement for their training. For instance, a representative from Coleman Advocates has a local government training which costs approximately \$50-\$75. Several of these trainings will be needed for current Commissioners as well as for the Commissioners appointed in the spring, at an approximate cost of \$250-750.

Finally, Commissioners and staff will need computer training when the new computer system is in place, at an approximate cost of \$250-\$500.

I hope that this information is sufficient. Some uncertainty is unavoidable simply because the Commission is in its first year of operation. If I can answer any other questions, please feel free to call me at 554-7112. Thanks.

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9/25/96

MINUTES

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SEP 26 1996

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REGULAR MEETING
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, SEPTEMBER 25, 1996 - 1:00 P.M.

VETERANS BUILDING
401 VAN NESS AVENUE
ROOM 410

MEMBERS: SUPERVISORS TOM HSIEH, BARBARA KAUFMAN, SUE BIERMAN

CLERK: GREGOIRE HOBSON

TIME MEETING CONVENED: 1:10 P.M.

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Budget Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item:
 - a) File 28-96-8. [Emergency Repair, Southeast Water Pollution Plant] Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to repair the roof of the Southeast Water Pollution Control Plant Digester No. 2. (Department of Public Works)

- b) File 28-96-9. [Emergency Repair, Various Locations] Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace structurally inadequate sewer in 23rd Avenue between California Street and Clement Street, Broadway between Grant Avenue and Stockton Street, Trenton Street between Pacific Avenue and Jackson Street, Pacific Avenue between Stockton Street and Mason Street and between Taylor Street and Jones Street, the 2015 Tenth Avenue easement between Tenth Avenue and 160 feet westerly, First Street between Market Street and Stevenson Street, Vicksburg Street between Elizabeth Street and Twenty-Fourth Street, Dale Place between Golden Gate Avenue and the Dead-End, Andover Street between Newman Street and Cortland Street and Webster Street between Lombard Street and Greenwich Street. (Department of Public Works)

SPEAKERS: None.

ACTION: ITEM (b) REMOVED FROM CONSENT CALENDAR. ITEM (a) RECOMMENDED.

ITEM (b) File 28-96-9. CONSIDERATION CONTINUED TO OCTOBER 2, 1996, MEETING.

VOTE: 2-1. (Supervisor Hsieh absent.)

REGULAR CALENDAR

RELEASE OF RESERVE

2. File 101-95-54.1. [Reserved Funds, Police Department] Consideration of release of reserve, Police Department (Narcotics Forfeiture and Asset Seizure Funds), in the amount of \$183,200 for the purchase of laboratory equipment. (Police Department)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst. Lt Alex, S.F. Police Department. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. REDUCE REQUEST TO \$182,013 AND APPROVE. FILED.

VOTE: 2-1. (Supervisor Hsieh absent.)

3. File 101-95-56.1. [Reserved Funds, SF Airport] Consideration of release of reserve, San Francisco International Airport (interest earnings from various capital improvement projects and bond funds), in the total amount of \$8,892,559, to fund contractual services for Runway IL-19R Overlay and Reconstruction \$8,781,102 and electrical repairs – \$111,497. (Airports Commission)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RELEASE OF \$8,892,599 APPROVED. FILED.

VOTE: 2-1. (Supervisor Hsieh absent.)

BONDS

4. File 170-96-8. [Airport Revenue Bonds] Resolution approving the issuance of up to \$192,700,000 aggregate principal amount of San Francisco International Airport Second Series Revenue Bonds for the purpose of financing certain infrastructure improvements at San Francisco International Airport and approving the maximum interest rate thereon and approving up to \$2,850,000,000 principal amount of Master Plan Bonds of the Airports Commission; approving the time for sale of Master Plan Bonds as ending December 31, 2000; approving up to 19 Series of Master Plan Bonds; and approving a final maturity date of the Master Plan Bonds of not later than May 1, 2030. (Airports Commission)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Peter Nardoza, S.F. Airport. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 2-1. (Supervisor Hsieh absent.)

FEES

5. File 121-96-11. [Street Artist Fees] Ordinance amending the Police Code by adding Section 2404.1.1 to establish a fee to cover the Arts Commissions' costs of administering the application/examination process. (Arts Commission)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Howard Lazar, Director, Street Artists Program, Arts Commission. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. Reduce Application Fee from \$25 to \$20.

VOTE: 2-1. (Supervisor Hsieh absent.)

6. File 97-96-51. [Medical Examiner Fees] Ordinance amending Administrative Code by amending Section 8.14, authorizing the Medical Examiner to charge fees for certain services. (Chief Medical Examiner/Coroner)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Mike Martin, Mayor's Budget Office. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 2-1. (Supervisor Hsieh absent.)

GENERAL

7. File 84-96-2. [Property Acquisition, CALTRANS Property/Route 480] Resolution approving and authorizing a Memorandum of Agreement with the State of California for acquisition of certain real property formerly occupied by Route 480 and located generally between Main Street and the Embarcadero (including certain waivers and indemnities for the benefit of the State contained in such agreements); adopting findings that such acquisition is consistent with the City's General Plan and Eight Priority Policies of the City Planning Code Section 101.1; and placing certain of the property under the Port's jurisdiction. (Real Estate Department)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst; Harry Quinn, Assistant Director, Real Estate Department. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 2-1. (Supervisor Hsieh absent.)

TIME MEETING ADJOURNED: 1:39 P.M.

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Attn: Kate Wingerson

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

September 20, 1996

TO: Budget Committee

FROM: Budget Analyst *Recommendations for meeting of*

SUBJECT: September 25, 1996 Budget Committee Meeting

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SEP 24 1996

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Item 1a - File 28-96-8

Department: Department of Public Works (DPW)

Item: Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to repair the roof of the Southeast Water Pollution Control Plant Digester No. 2.

Amount: \$134,980

Source of Funds: Repair and Replacement Fund - financed by Sewer Service Charges.

Description: Mr. Norman Chan of the DPW advises that during the December 1995 storms, the floating cover of Digester No. 2 (one of eight cylindrical digesters for treating sludge at the Southeast Water Pollution Control Plant) was damaged. Mr. Chan advises that originally the DPW attempted to repair Digester No. 2 by utilizing DPW staff. However, the scope of the damage was too extensive for the repair work to be done on an in-house basis, according to Mr. Chan.

In accordance with Section 6.30 of the Administrative Code, DPW declared an emergency in February of 1996, and

initiated expedited contract procedures to retain a contractor to repair the digester.

According to Mr. Chan, the DPW classified the subject emergency as a Class B emergency. Whereas a Class A emergency requires immediate action, a Class B emergency allows sufficient time for the DPW to develop plans and specifications, and to prepare the necessary contractual documents, prior to the award of the contract to repair the damage.

Mr. Chan advises that DPW prepared the plans, specifications and contractual documents in March and April of 1996, and on May 17, 1996, selected the firm of CM Construction, an MBE firm, as the lowest responsive bidder, to repair Digester No. 2, based on a bid amount of \$134,980.

The repair work includes cleaning the inside and the cover of Digester No. 2, inspecting and removing roof asbestos and lead paint, replacing the damaged wood on the roof, installing new roofing material, and replacing the rollers and guides which enable the roof to open and close.

The list of bidders, their MBE/WBE status, and the amounts bid are as follows:

<u>Contractor</u>	<u>MBE/WBE/LBE</u>	<u>Bid Amount</u>
CM Construction	MBE	\$134,980
Cuevas-Mannion	MBE	176,400
A. Ruiz Construction	MBE	186,250
N.L. Barnes/LTM, AJV	MBE	338,500

According to Mr. Chan, the repair work on Digester No. 2 commenced on July 8, 1996 and is estimated to be substantially completed by September 20, 1996.

Recommendation: Approve the proposed resolution.

Item 1b - File 28-96-9

Department: Department of Public Works (DPW)

Item: Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace structurally inadequate sewers on 23rd Avenue between California Street and Clement Street, Broadway between Grant Avenue and Stockton Street, Trenton Street between Pacific Avenue and Jackson Street, Pacific Avenue between Stockton Street and Mason Street and between Taylor Street and Jones Street, the 2015 Tenth Avenue easement between Tenth Avenue and 160 feet westerly, First Street between Market Street and Stevenson Street, Vicksburg Street between Elizabeth Street and 24th Street, Dale Place between Golden Gate Avenue and the dead end, Andover Street between Newman Street and Cortland Avenue, and Webster Street between Lombard Street and Greenwich Street.

Comment: The DPW has requested that this item be continued to the Budget Committee Meeting of October 2, 1996, to provide the DPW with additional time to prepare budget details for the replacement of the above-noted structurally inadequate sewers.

Recommendation: Continue the proposed resolution to the Budget Committee Meeting of October 2, 1996, as requested by the DPW.

Item 2 - File 101-95-54.1

Note: This item was continued by the Budget Committee at its meeting of May 22, 1996.

Department: San Francisco Police Department (SFPD)

Item: Request to release reserved funds in the amount of \$183,200 for the purchase of laboratory equipment.

Amount: \$183,200

Source of Funds: Narcotics Forfeiture and Asset Seizure Funds

Description: Pursuant to San Francisco Administrative Code Section 10.177-54, the Narcotics Forfeiture and Asset Seizure Fund was established in order to receive any assets acquired by City and County law enforcement agencies. The Administrative Code requires that all expenditures made from this Special Fund be used specifically for enforcement, training, prevention, prosecution programs and equipment in order to enhance the enforcement of narcotics laws. In accordance with Federal and State guidelines, various City departments, such as the Sheriff, the San Francisco Airport Police and the SFPD, receive a separate allocation of monies from the Narcotics Forfeiture and Asset Seizure Fund based on the amount of cash and other assets that are seized by each respective department during narcotics enforcement activities.

In February of 1996, the Board of Supervisors approved a supplemental appropriation ordinance in the amount of \$183,200 in Narcotics Forfeiture and Asset Seizure Funds in order for the Police Department to purchase laboratory equipment (File 101-95-54). This amount of \$183,200 was placed on reserve, pending the selection of contractors, the submission of budget details and the MBE/WBE status of the contractors.

The laboratory equipment to be purchased consists of two gas chromatograph/mass spectrometers and a fourier transform infrared spectrophotometer (FTIR). According to Mr. Jim Norris, Director of the SFPD's Crime Lab, an audit performed by the American Society of Crime Lab Directors recommended that the Crime Lab purchase equipment that would automatically print analytical reports on narcotic substances. Mr. Norris reports that the purchase of the foregoing equipment would improve the reliability of the analysis of lab results.

Through a Request for Proposals (RFP) process, the Crime Lab received two bids for the gas chromatograph/mass spectrometers. The Crime Lab awarded a contract in the amount of \$132,906 to the low bidder, Hewlett Packard, Inc. Hewlett Packard is not a certified MBE or WBE firm.

Through an RFP process, the Crime Lab received two bids for the fourier transform infrared spectrophotometer (FTIR), as follows:

Nicolet, Inc.	\$45,972
Perkin Elmer Corporation	49,107

Neither firm is a MBE or WBE firm. The Crime Lab awarded the contract in the amount of \$49,107 to Perkin Elmer Corporation. According to Ms. Martha Blake of the Crime Lab, although Perkin Elmer Corporation was not the low bidder, Perkin Elmer's equipment better meets the specifications contained in the RFP and is more compatible with the Crime Lab's existing laboratory equipment, some of which was manufactured by Perkin Elmer Corporation.

The total cost of the subject laboratory equipment is therefore \$182,013 (\$132,906 for the gas chromatograph/mass spectrometers plus \$49,107 for the FTIR).

Comments:

1. Mr. Norris indicates that the SFPD would purchase an annual maintenance agreement, which would commence in FY 1997-98 after the expiration of the equipment's one-year warranty, at an estimated cost of \$17,000 per year. Officer Tom Strong of the SFPD's Fiscal Division reports that the cost of this maintenance agreement would be requested in the Department's annual budget.

2. The request to release reserved funds should be reduced by \$1,187, from \$183,200 to \$182,013, in order to reflect the actual purchase price for the subject laboratory equipment.

Recommendations: 1. Reduce the request to release reserved funds by \$1,187, from \$183,200 to \$182,013.

2. Approve the request to release reserved funds in the amount of \$182,013.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
September 25, 1996 Budget Committee Meeting

Item 3 - File 101-95-56.1

Department: Airport

Item: Release of reserved funds in the total amount of \$8,892,599 to fund contractual services for Runway IL-19R Overlay and Reconstruction (\$8,781,102) and electrical repairs (\$111,497) for the Airport.

Amount: \$8,892,599

Source of Funds: Interest earned on the following unexpended Airport monies:

Airport Capital Project Fund	\$4,231,688
1992 Airport Refunding Bonds, Issue 1	21,845
1993 Airport Refunding Bonds Issues 2 through 4	1,475,557
1992 Airport Master Plan Revenue	
Bonds, Issues 5 and 6	<u>3,163,509</u>
Total	\$8,892,599

Description: The Board of Supervisors previously approved a supplemental appropriation ordinance appropriating \$14,188,100 of interest earnings for five capital improvement projects. At the same time, the Board placed \$8,892,599 on reserve pending the selection of contractors, the submission of the MBE/WBE status of the contractors and the contract cost details.

The Airport advises that, through its Invitation for Bids process, it has selected Pavex Construction, in the amount of \$8,781,102, to provide the necessary construction services for the Runway IL-19R Overlay and Reconstruction project and Barri Electrical Company, in the amount of \$288,980, to provide the electrical repair work (see project descriptions below). The Airport advises that Pavex Construction is a Disadvantaged Business Enterprise (DBE) firm and Barri Electrical Company is an MBE firm.

The requested amount of \$111,497 would pay for a portion of the \$288,980 contract amount for Barri Electrical Company. According to the Airport, the balance of \$177,483 (\$288,980 less \$111,497) would be paid for by previously appropriated surplus Airport Capital Funds.

The Attachment lists (1) all the firms which responded to the Airport's Invitation for Bids as well as the bid amounts and MBE/WBE status of the firms and (2) the subcontractors including the subcontract amounts and the MBE/WBE status of the subcontractors.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
September 25, 1996 Budget Committee Meeting

The Runway IL-19R Overlay and Reconstruction work to be performed by Pavex Construction consists of the partial reconstruction and overlay of the pavement on Runway IL. According to the Airport, because of differential settlement and pavement deterioration, it is necessary to relevel, overlay, and reconstruct the runway pavement to provide a surface that is safe for aircraft traffic. The electrical repair work to be performed by Barri Electrical Company includes installing electrical cables in the Airport's Power Distribution System. According the Airport, the it has been experiencing random failures of these cables.

Budget:	Construction Contract	\$8,781,102
	Electrical Repair Work Contract	<u>111,497*</u>
	Total	\$8,892,599

*Total Contract is \$288,980.

Recommendation: Approve the proposed release of reserved funds in the amount of \$8,892,599.

BOARD OF SUPERVISORS
BUDGET ANALYST

**Airports
Commission**City and County
of San FranciscoWillie L. Brown, Jr.
MayorHenry E. Berman
PresidentMarie K. Brooks
Vice President

Michael S. Stunsky

Roland A. Quan

Larry Mazzola

JOHN L. MARTIN
Director of Airports

San Francisco International Airport

GATEWAY TO THE PACIFIC

Bids received - Runway IL-19R Overlay and Reconstruction Project

<u>Contractor</u>	<u>MBE/WBE</u>	<u>Bid Amount</u>
1. Pavex Construction Co.	No	\$ 8,781,102.00
2. Ghilotti Brothers Construction, Inc.	No	\$10,105,121.00
3. DeSilva Gates Construction	No	\$11,111,111.00

Bids received - Electrical Repair Work

<u>Contractor</u>	<u>Bid Amount</u>	<u>LBE/MBE/LWBE</u>	<u>Net Bid Amount</u>
		<u>Claimed Credit</u>	<u>After Credit</u>
1. Barri Electric Company Inc.	\$288,980.00	10%	\$260,082.00
2. Thunder Electric Company Inc.	\$297,525.00	10%	\$267,772.50
3. Beci Electric Company	\$397,750.00	0%	\$397,750.00

	<u>MBE/WBE</u>	<u>Amount</u>
<u>Barri Electric Company -</u>		
<u>Subcontractors</u>		
Hot Line Construction	WBE	\$7,800
Interstate Grading & Paving	No	4,000
Fine Line Concrete Sawing and Drilling	No	5,000
Pro Backhoe Service Excavating Paving Construction	No	<u>12,000</u>
Total Subcontract Amount		\$28,800

Pavex Construction Company -

<u>Subcontractors</u>		
J. Cannon	No	\$975,620
JMB	WBE	89,700
Carefree Greens	No	24,620
Bayshore Security	WBE	47,600
S & S Trucking	WBE	<u>180,000</u>
Total Subcontract Amount		\$1,317,540

It should be noted that all of Pavex Construction Company's subcontractors are Disadvantaged Business Enterprise (DBE) firms.

Item 4 - File 170-96-8

Department: Airport

Item: Resolution (1) approving the issuance of up to \$192,700,000 aggregate principal amount of San Francisco International Airport Second Series Revenue Bonds (Issue 13) for the purpose of financing certain infrastructure improvements, at the Airport, which are not a part of the Airport's Master Plan, approving the maximum interest rate thereon, and (2) increasing the principal amount of the San Francisco International Airport Second Series Revenue Bonds from up to \$2,400,000,000 to up to \$2,850,000,000 for near-term Master Plan Projects or a \$450,000,000 increase; extending the time of the sale of the Master Plan Revenue Bonds from December 31, 1998 to December 31, 2000, increasing the number of bond series issued from a maximum of 15 to a maximum of 19, and extending the final maturity date of the Master Plan Revenue Bonds from no later than May 1, 2027 to no later than May 1, 2030, for a total bond maturity period of 30 years.

Amount: \$192,700,000 - Issuance of Airport Revenue Bonds

\$450,000,000 - Increase for Near-term Master Plan Projects

Source of Funds: San Francisco International Airport Second Series Revenue Bonds

Description: Section 4.115 of the Charter grants the Airports Commission the authority to issue Airport Revenue Bonds for Airport-related purposes, subject to the approval of the Board of Supervisors. Section 18.103 provides that such revenue bonds shall bear a rate of interest not to exceed that rate which may be set by the Airports Commission, subject to the approval of the Board of Supervisors. The Airports Commission has set a not to exceed interest rate of 12 percent in accordance with State bond regulations. The Airport is requesting approval of the issuance of up to \$192,700,000 in Airport Revenue Bonds for the purpose of financing (1) various capital improvement projects including, but not limited to, disability access improvements, a rental car facility, and a parking facility, (2) a debt service reserve fund and (3) bond issuance costs and other related costs. Mr. Leo Fermin advises that these capital improvements are a part of the Airport Infrastructure Improvement Program and are not a part of the Airport's Master Plan. According to Mr. Fermin, the Master Plan is a subset of the Airport's Five year Capital Project Plan, which also includes the Airport Infrastructure Improvement

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Program and the Modernization and Renovation Program (all projects under the Modernization and Renovation Program were completed in 1981).

Attachment I, prepared by the Airport, provides the specific budget details for the proposed bond issuance of \$192,700,000.

The Airport advises that the total debt service for the \$192,700,000 in Airport Revenue Bonds to be paid over a 30 year period would be approximately \$457,000,000 based on an estimated interest rate of 7.4 percent. The average estimated annual debt service would be approximately \$15,200,000. Although the proposed resolution states that the interest rate shall not exceed 12 percent, as noted above, the Airport estimates that the interest rate to be paid will be 7.4 percent.

The Airport's Master Plan consists of both near-term and long-term components. The near-term Master Plan Projects, estimated to cost \$2,850,000,000, consist of architectural and engineering, demolition and construction of various Airport facilities and infrastructures such as terminals, air freight and maintenance buildings, roadways and taxiways, and the Ground Transportation Center. Mr. Fermin advises that the long-term Master Plan Projects are in the conceptual stage and none of the projects have been approved by the Airports Commission. As such, according to Mr. Fermin, the Airport does not have a cost estimate, at this time, for the long-term Master Plan Projects. Mr. Fermin advises that long-term projects under consideration include the final configuration of the boarding areas in the satellite terminals, improvements to the west field cargo and maintenance area, the development of a commercial office facility, the extension of the east field cargo and maintenance area and two major parking improvements.

In December of 1992, the Board of Supervisors approved a resolution (File 170-92-13) for the issuance of up to \$2.4 billion in San Francisco International Airport Second Series Revenue Bonds for the near-term Master Plan Projects.

The proposed resolution requests that (1) the principal amount of the San Francisco International Airport Second Series Revenue Bonds for the near-term Master Plan Projects be increased by \$450,000,000 from up to \$2,400,000,000 to up to \$2,850,000,000, (2) the time of the sale of the Master Plan Revenue Bonds be extended from December 31, 1998 to December 31, 2000, (3) the number of bond series issued be

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increased from a maximum of 15 to a maximum of 19, and (4) the final maturity date of the Master Plan Revenue Bonds be extended from no later than May 1, 2027 to no later than May 1, 2030. The Airport advises that the total annual increase in debt service based on the increase of \$450,000,000 in the principal amount of the Master Plan Revenue Bonds would be approximately \$34,450,000 bringing the total annual debt service to an average of approximately \$208,518,583 annually. Based on these bonds being paid over a 30 year period, the total debt service would be approximately \$6,255,557,492. The Airport advises that the Master Plan Revenue Bonds will be sold through competitive bidding, with the award of the bonds made to the underwriting syndicate submitting the lowest true interest costs.

Attachment II, prepared by the Airport, explains the need for (1) the increase in the principal of the San Francisco International Airport Second Series Revenue Bonds (Master Plan Bonds) for the near-term Master Plan Projects, (2) the extension of the time of sale of the Master Plan Revenue Bonds, (3) the increase in the number of bond series issued from 15 to 19 and (4) the extension of the maturity date for the Master Plan Revenue Bonds. Additionally, the report (1) describes the fiscal impact of these requested changes with regard to debt service, increase, if any, in interest rates, and issuance costs and (2) explains the estimated \$450,000,000 cost increase in the near-term Master Plan from \$2,400,000,000 to \$2,850,000,000.

Comments:

1. As noted above, the total estimated cost of the Airport's near-term Master Plan is \$2,850,000,000 (projects approved by the Airports Commission which are scheduled for completion prior to the year 2005).
2. Approval of the proposed resolution would permit the issuance of the proposed \$192,700,000 Airport Revenue Bonds. However, all expenditures from such bond proceeds, including the bond issuance costs, would be subject to separate appropriation approval by the Board of Supervisors.

Recommendation: We recommend approval of the proposed resolution except for the matters related to the near-term Master Plan Project revisions. As a result of the revised cost of \$2,850,000,000 for the near-term Master Plan project, an increase of \$450,000,000 in the principal amount from the \$2,400,000,000 in Master Plan Bonds previously approved by the Board of Supervisors, we consider approval of the proposed changes to the near-term Master Plan to be a policy matter for the Board of Supervisors.

	Total	13-A	13-T
Par Amount of Bonds			
ESTIMATED GROSS PROCEEDS	<u>\$192,700,000</u>	<u>\$58,461,092</u>	<u>\$134,238,908</u>
Deposit to Construction Fund*	\$169,556,110	\$51,439,727	\$118,116,383
Debt Service Reserve Fund	\$19,270,000	\$5,846,109	\$13,423,891
Original Issue Discount/Underwriter's Spread	\$3,372,250	\$1,023,069	\$2,349,181
Professional Service & Other Issuance Costs	<u>\$501,640</u>	<u>\$152,187</u>	<u>\$349,453</u>
Total Appropriation of	<u>\$192,700,000</u>	<u>\$58,461,092</u>	<u>\$134,238,908</u>

* The Construction Fund would be used to pay for the following capital projects:

PROJECT COSTS

<u>Project Number</u>	<u>Title</u>	<u>Project Costs</u>
2349 II	Americans with Disabilities Act Improvements Phase II	\$ 4,043,000
3512	On-Call Pavement Overlay and Reconstruction	1,148,000
3568	North Terminal Carpet Replacement	1,715,000
5602	Plot 7E Parking Structure	22,320,000
5650	Rental Car Facility at Lot D	106,228,000
3571	ARINC-Common Use Terminal Equipment	887,000
3487	West Field Detention Basin	6,900,000
3466	Replacement of Moving Walks B/A "E" and "F" Tunnels	3,250,000
TBD	BART	<u>6,000,000</u>
TOTAL		<u>\$152,491,000</u>

The \$17,075,110 difference between the \$169,566,110 to be deposited to the Construction Fund and the \$152,491,000 total cost of the capital projects represents capitalized interest costs.

**Airports
Commission**

City and County
of San Francisco
Willie L. Brown, Jr.
Mayor

Henry E. Berman
President

Marie K. Brooks
Vice President

Michael S. Strunsky

Roland A. Quan

Larry Mazzola

JOHN L. MARTIN
Director of Airports



San Francisco International Airport

GATEWAY TO THE PACIFIC
September 20, 1996

Sandy Brown-Richardson

Budget Analyst

City and County of San Francisco

1390 Market Street, Suite 1025

San Francisco, CA 94102

**Subject: Requested Changes in San Francisco International Airport
Second Series Revenue Bonds for Near-Term Master Plan Projects**

Dear Sandy:

To confirm our telephone conversation, I am submitting the following information:

1. The increase in principal amount of the Second Series Revenue Bonds (Master Plan Bonds) is requested because capital project costs increased from the original estimated \$2,047,000,000 to an estimate of \$2,393,000,000 or an increase of approximately \$346,000,000. Accordingly, the principal amount of the Master Plan Bonds needs to be increased from \$2,400,000,000 to \$2,850,000,000. Financing costs of these bonds consists of (a) capitalized interest, (b) debt service reserve funds, (c) underwriter discounts, (d) original issuance discounts, and (e) issuance costs.

Capital project costs increased for the Master Plan because of the increased costs to relocate certain water, sewer and electrical distribution systems and to install security and special systems. The revised cost estimate also reflects increases in costs of raw materials and increases in construction labor costs.

2. The extension of the time of the sale of the Master Plan Bonds is required because of the rescheduling of the opening of the new International Terminal from May 1999 to May 2000 and the rescheduling of the completion of the Airport Rail Transit System from December 1999 to June 2001.

3. The increase in number of bond series issued from 15 to 19 is necessary in order not to flood or exceed market capability to absorb a large bond sale.

4. The extension in the maturity date of the Master Plan Bonds is required in connection with the rescheduling of the opening of the new International Terminal and the completion of the Rail Transit System previously noted.

Sandy Brown-Richardson
September 20, 1996
Page 2

Fiscal Impact of Proposed Changes in Master Plan Bonds

Increase in par amount of Near-Term Master Plan Bonds:

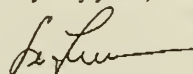
Formerly:	\$2,400,000,000
New Amount:	<u>2,850,000,000</u>
Increase Principal of:	\$450,000,000

This increase would result in an average annual debt service increase of \$34,450,000 (30 years at 6-1/2% average) from prior authorization, 100% of which will be covered by Airport revenues and paid for by Airport tenants.

All of the Master Plan bonds will be sold through competitive bidding, with the award of the bonds made to the underwriting syndicate submitting the lowest true interest costs. As such, the additional principal amount of bonds does not impact interest rates. Financing costs relating to the additional \$450 million principal amount of bonds is \$9 million, which includes underwriter discount, original issue discount and professional service fees for bond counsel, financial advisor and feasibility consultant.

There would be no fiscal impact to the General Fund. Further, there will be no impact on the Airport's Airline Landing Fees and Terminal Rentals beyond the levels projected previously for the Near-Term Master Plan. The additional debt service costs relating to the \$450 million increase in par amount would be more than offset by nonairline revenues.

Very truly yours,



Leo Fermin
Asst. Deputy Director
Financial Planning & Analysis

m:\...atmpltr.lf

Item 5 - File 121-96-11

Department: Art Commission

Item: Ordinance amending the Police Code by adding Section 2404.1.1 to establish a fee to cover the Art Commission's costs of administering the application/examination process.

Description: The proposed ordinance would establish a \$25 non-refundable application/examination fee for filing an application for street artist certification. Applicants who complete the process and are awarded certification as street artists must also pay a quarterly \$87.50 street artist certification fee, but there is currently no charge for submitting an application for such certification.

The proposed ordinance states that the application/examination fee will not exceed the actual cost of processing applications and examinations under the Street Artist Ordinance, and that the Art Commission will submit a report on such costs to the Controller on an annual basis. As noted above, an initial application fee of \$25 is proposed.

Comments: 1. A breakdown of the estimated actual costs incurred in processing applications and examination under the Street Artist Ordinance, provided by the Art Commission, is attached to this report. As detailed in that attachment, the Art Commission has documented actual costs of \$19.60 or approximately \$20 per application. Therefore, the Budget Analyst recommends that the proposed ordinance be amended to set an initial fee of \$20, rather than \$25.

2. Mr. Howard Lazar, Director of the Street Artists Program of the Art Commission, states that considerable time, as detailed in the above-mentioned attachment, is required to receive and log applications, schedule appointments for applicants, obtain examination of the street artist's craft items by an Advisory Committee of Street Artists and Craftsmen Examiners, and verify that the applicant actually creates the items for which he/she seeks certification. Mr. Lazar states that the existing \$87.50 quarterly certification fee covers the cost of administration and enforcement of the Street Artists Program, as opposed to the application procedures to be supported by the proposed \$25 application fee. Mr. Lazar further advises that approximately 56.4 percent of the 480 applicants for street artist certification during FY 1995-96 failed to complete the certification process. Mr. Lazar states that the Art Commission still incurs an average cost of \$20 for doing the initial processing

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of such applications, but currently cannot collect any fee from such applicants.

3. Mr. Lazar reports that in FY 1995-96 there were 480 applicants for street artist certification. Based on this FY 1995-96 data, the Street Artists Program would collect approximately \$12,000 annually (480 times \$25) if the subject ordinance is approved, or \$9,600 if the proposed ordinance is amended to reduced the fee to \$20. Mr. Lazar states that, by recouping the cost of processing applications/examinations, the Street Artist Program would be able to fund increased enforcement of the Street Artists Ordinance. Mr. Lazar states that the Art Commission has had insufficient funds to adequately enforce the ordinance, and that such enforcement would benefit both certificate holders and the public.

4. Mr. Lazar reports that the Art Commission has held three public hearings regarding the proposed street artist application/examination fee, and that no opposition was voiced to the proposal at these public hearings. Mr. Lazar states that the Art Commission unanimously approved the proposed fee on August 5, 1996.

Recommendations: 1. Amend the proposed ordinance to reduce the proposed application fee from \$25 to \$20, based on the estimate of actual costs provided by the Art Commission.

2. Approve the proposed ordinance as amended.



SAN FRANCISCO ART COMMISSION

Attachment

September 20, 1996

MEMORANDUM

PROGRAMS

CIVIC ART COLLECTION
CIVIC DESIGN REVIEW
COMMUNITY ARTS
& EDUCATION
CULTURAL EQUITY GRANTS
GALLERY
POPS SYMPHONY CONCERTS
PUBLIC ART

To: Ms. Eve Sternberg, Budget Analyst's Office

FAX: 252-0461

From: Howard Lazar, Director, Street Artists Program *HL*

STREET ARTISTS LICENSES
SUITE 70
415.252.2581

Re: Ordinance establishing fee to cover Art Commission costs
in administering street artist application/examination
process; itemization of current costs

After speaking with John Madden, I am herewith sending you an amended itemization of the current annual costs of the Art Commission's Street Artists Program in receiving applications, scheduling and conducting examinations of the wares of applicants seeking certificates (costs based on 1996-97 figures which include fringe benefits):

Certification Clerk hours in receiving/
posting applications, scheduling examina-
tions, notifying applicants, composing
agendas (136.4 hrs. @ \$ 21.58 hr.) \$ 2,943.50

Program Director hours in supervising 12
Advisory Committee examination meetings
(4-hr. meetings X 12 = 48 hrs. @ \$ 27.87
hr.) 1,337.76

Advisory Committee Compensation (5 members
@ \$80 per member per meeting X 12 meetings) 4,080.00

Postage for appointment letters (32¢ X 480
envelopes/applicants) 153.60

Postage for Advisory Committee agendas
(32¢ X 116 envelopes/mailling list X
12 mos.) 445.44

Reproduction Bureau printing of applica-
tions and information guidelines on
becoming a licensed street artist
(\$112 per quarter X 4 quarters) 448.00

\$ 9,408.30

\$ 9,408.30 ÷ 480 applicants = \$ 19.60 cost per applicant.



CITY AND COUNTY OF
SAN FRANCISCO

Item 6 - File 97-96-51

Department: Medical Examiner-Administrative Services

Item: Ordinance amending Section 8.14 of the Administrative Code to authorize the Medical Examiner to increase certain existing fees and to establish new fees for certain services.

Description: Section 8.14 of the Administrative Code contains the Medical Examiner's fee schedule for copies of documents and certain services. The proposed ordinance would amend Section 8.14 to establish new fees and to increase existing fees for copies of documents and certain services as follows:

<u>Type of document or service</u>	<u>Existing Fees</u>	<u>Proposed Fees</u>	<u>Fee Increase</u>
Forensic autopsy performed on cases for other counties	\$1,200	\$2,000	\$800
X-rays	\$50	\$100	\$50
Copies of X-rays	\$10	\$20	\$10
Re-cut microscopic slides	\$10	\$20	\$10
Court testimony; toxicologist	\$200/hour	\$250/hour	\$50/hour
Court testimony; forensic pathologist	\$250/hour	\$500/hour	\$250/hour
Certified copy of Medical Examiner's Report*	0	\$30	\$30
Non-contagious letter**	0	\$5	\$5
Court testimony, medical technologist or investigator	0	\$250/hour	\$250/hour

*This new report consolidates information that was previously provided in four separate reports, including the necropsy, pathology, toxicology and the Coroner's register reports.

**A body that is being shipped outside of the United States requires documentation that it does not carry any contagious diseases. This information used to be included in "Proof of Death for Insurance Purposes." However, separate documentation is now required by most countries.

Comments: 1. The Medical Examiner's has recently determined that some of its existing fees do not fully cover the costs of providing various documents and services. Therefore, the Medical Examiner's conducted a cost analysis to determine the actual costs for the Department to provide such documents and services.

2. Mr. Herb Hawley of the Medical Examiner's advises that additional charges for travel and accommodations associated with the Medical Examiner's fees will be charged separately to recover such costs from the requesting agency.

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3. According to Mr. Hawley, a total of \$175,000 in revenues were generated in FY1995-96 from the Department's existing fees. Mr. Hawley advises that the Department estimates an additional \$5,000 in annual revenues will be generated based on the proposed new fees and increases in existing fees, bringing the total annual fee revenues to approximately \$180,000. The proposed fee changes were included in the Medical Examiner's FY1996-97 budget.

4. Mr. Hawley advises that the proposed fees were last increased in 1992, and such fees would become effective when the proposed ordinance is approved by the Board of Supervisors.

5. As noted above, the proposed fees for a forensic autopsy performed on cases for other counties is \$2,000, which is \$800 or 67 percent more than the existing fee of \$1,200. In addition, the proposed fee for court testimony of a forensic pathologist is \$500 per hour, which is \$250 or 100 percent more than the existing fee of \$250 per hour. Mr. Hawley advises that these two proposed fees have increased significantly because a review of the costs for providing these services showed that 1) the staff time spent by pathologists and lab technicians performing an autopsy was not being adequately recovered by the current fees, and 2) the existing fee for civil court testimony of a forensic pathologist did not include the cost of reviewing records and preparing court testimony.

Recommendation: Approve the proposed ordinance.

Item 7 - File 84-96-2

Department: Department of Real Estate (DRE)

Item: Resolution approving and authorizing a Memorandum of Agreement with the State of California for acquisition of certain real property formerly occupied by Route 480 and located generally between Main Street and the Embarcadero (including certain waivers and indemnities for the benefit of the State contained in such Agreement); adopting findings that such acquisition is consistent with the City's General Plan and Eight Priority Policies of the Planning Code Section 101.1; and placing certain of the property under the Port's jurisdiction.

Description: Pursuant to SB 181, the State was required to remove the Embarcadero Freeway structure (Route 480) and to convey to the City, at no cost, those portions of Route 480 no longer needed for right-of-way purposes. Additionally, SB 181 requires the City, under a State mandated program, to utilize the Route 480 property, or the proceeds from the sale of such property, to finance the construction of an alternate system of local streets that would essentially provide motorists with accessibility comparable to that provided by Route 480. The State has determined that portions of the Route 480 right-of-way located generally between Main Street and the Embarcadero are not necessary for new freeway ramps and as such, the City has the right to acquire these parcels.

The proposed resolution would authorize the City to enter into a Memorandum of Agreement with the State Department of Transportation (CalTrans) for the City's acquisition, of eight parcels (including four air rights parcels), collectively known as the "CalTrans Property," at no cost to the City. The subject CalTrans Property is comprised of a total of approximately 126,576 square feet. Approximately 28.6 percent of the subject property (36,270 square feet), or two parcels of land and two air rights parcels, would be placed under the Port's jurisdiction (see following page), because of their location, but the Port Commission has agreed to allow certain portions of this area to be retained for the Embarcadero roadway right-of-way.

The State currently has two leases with private firms for parking lot operations located on the subject CalTrans Property, which generate an annual rental of \$527,124.60 to the State. Pursuant to SB 181, when the City acquires the deed to the CalTrans Property, the State will assign these two leases to the City and thereafter, the \$527,124.60 in

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annual revenues will accrue to the City. These anticipated revenues will be dedicated to the Mid Embarcadero Roadway Replacement Project, as required by SB 181. The Mid Embarcadero Roadway Project will provide an improved vehicular connection between the intersection of Folsom Street with the Embarcadero and the intersection of Broadway Street and the Embarcadero, through surface street improvements. The purpose of the project, according to Mr. Leonard Tom of the Waterfront Transportation Project, is to replace the capacity that was formerly provided by the Embarcadero Freeway (Route 480).

Two of the parcels on the subject CalTrans Property, along with two associated air rights parcels, would be transferred to the Port, because they are located in areas that fall under Port jurisdiction. The Port already holds easements from CalTrans for the two parcels. One parcel is a strip of land located to the side of the former freeway. The Port has, in turn, leased this strip of land to Embarcadero South Investors for use as a public plaza, in connection with the Bayside Plaza office building. The Port currently receives \$594.90 per month, or \$7,138.80 per year, in lease payments for this parcel from Embarcadero South Investors. Mr. Paul Osmundson of the Port states that the Port is currently renegotiating the lease and expects the income from the site to increase substantially. Because the Port already controls the parcel through an easement, transfer of this portion of the subject property from CalTrans to the Port will not change Port revenues (i.e., the lease rate could be raised by the Port acting under the existing easement, whether or not the Port owns the property).

The Port also controls the other parcel through a surface easement with CalTrans, although this parcel is currently an unpaved lot. The Port had operated a surface parking lot on the site prior to the earthquake, and for the past several years has leased the site to a contractor for construction storage related to the Muni Metro Turnaround Project. Mr. Osmundson states that the subject parcel is not currently leased to anyone.

The proposed legislation would also authorize the City, without further approval by the Board of Supervisors, to enter into any additions, amendments or other modifications to the Memorandum of Agreement that are necessary or advisable to complete the acquisition, and which do not materially increase the obligations or liabilities of the City.

Comments:

1. Under the proposed Memorandum of Agreement, the City would hold the State harmless from all losses arising as a

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result of a release of hazardous substances which occurred prior to the City's acquisition of the property, except that such indemnity would only be triggered if written notice of such a claim by any party against the State is received by the City (1) prior to the completion of construction of a developed parcel, or (2) within 20 years for a parcel that is used for open space. The City further indemnifies the State against claims filed as a result of the State's ownership of the property for events which occur after transfer of title to the City except for losses attributable to State actions. The State indemnifies the City against claims filed as a result of the City's ownership of the property for events which occur before the transfer of title to the City.

2. Mr. John Cooper of the City Attorney's Office advises that the City has conducted a site survey and historical research to identify potential contaminants on the subject property, but has not done any drilling or sampling on the subject property. Mr. Cooper states that numerous recent soil samples have been taken from adjacent parcels for other projects in a close vicinity to the subject CalTrans Property. Such samples have contained only contaminants that are long-standing, buried, immobile and out of contact with the public, thus limiting the possibility of claims for personal injury. Based on these results, Mr. Cooper concludes that the proposed agreement does not place the City at undue risk.

3. The City Planning Department has determined that the proposed acquisition of the CalTrans Property is consistent with the City's Master Plan and with the Eight Priority Policies of the City Planning Code Section 101.1.

4. Mr. Tom reports that Waterfront Transportation Project planners expect to continue the two parking lot leases for the immediate future. However, Mr. Tom advises that sale of this property for development could occur at a later date. Mr. Tom advises that if the City sells this parcel in the future, revenues from such sale would by law be dedicated to the Mid Embarcadero Roadway Replacement Project.

5. As stated earlier, current annual lease revenues from the parking lots total \$527,124.60, which will accrue to the City for use in the Mid Embarcadero Roadway Replacement Project, subject to approval of this proposed resolution. Ms. Claudine Venegas of the DRE advises that a letter from the DRE which was included in the Board of Supervisors file inadvertently contains a figure of \$529,285 for such revenues.

6. Mr. Tom reports that a portion of the property to be placed under the jurisdiction of the Port is currently an unpaved lot,

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which had previously been operated as a parking lot by the Port, prior to the construction of the Muni Metro Turnaround, when it was leased to a contractor for storage. Mr. Tom states that he has been advised by the Port that this lot will probably be converted into a parking lot and leased to a parking lot operator in the short term.

7. Mr. Tom states that the City will not incur ongoing costs as a result of acquisition of the subject property. Mr. Tom advises that maintenance of the parking lots is the responsibility of the parking lot lessees.

Summary:

In summary, the proposed resolution would approve a Memorandum of Agreement between the City and CalTrans, whereby eight parcels (four of which consist of air rights over public streets) known as the "CalTrans Property," located generally between Main Street and the Embarcadero, will be acquired by the City from CalTrans at no cost. These parcels were formerly part of the right-of-way for the Embarcadero Freeway (Route 480). By State law, the subject property, or the proceeds from sale or use of such property, must be used to finance the construction of an alternate system of local streets to replace the Embarcadero Freeway. Therefore, annual lease revenues of \$527,124.60 from two parking lots on the subject property, which are currently paid by tenants to CalTrans but will accrue to the City if the subject ordinance is approved, would be dedicated to the Mid Embarcadero Roadway Replacement Project. This project is designed to provide such an alternate system of local streets. If the City sells any of these parcels, the sale proceeds would accrue to the Mid Embarcadero Roadway Replacement Project.

The Port would have jurisdiction over approximately 28.6 percent, or 36,270 square feet of the total 126,576 square feet of the subject "CalTrans Property" because of the location of this part of the property, but the Port has agreed to allow certain portions of this area to be retained for the Embarcadero roadway right-of-way. The Port would continue to receive \$7,138.80 in annual lease revenue from a parcel that it has controlled through an easement with CalTrans, once fee ownership is transferred to the Port. The Port may develop another parking lot on a lot that would also be acquired from CalTrans, which the Port also already controls through an existing easement.

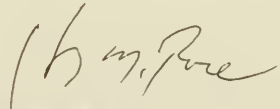
Although under the proposed Memorandum of Agreement the City would provide the State with indemnification against losses arising from claims related to release of hazardous substances while the property was under control of the State,

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BUDGET ANALYST

Memo to Budget Committee
September 25, 1996 Meeting of Budget Committee

Mr. John Cooper of the City Attorney's Office states that no such claims have been filed to date, and the proposed agreement does not place the City at undue risk. Acquisition of the subject CalTrans property, at no cost to the City, will provide a source of dedicated lease and/or property sale revenues to the Mid Embarcadero Roadway Replacement Project.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Kaufman
Supervisor Bierman
President Shelley
Supervisor Alioto
Supervisor Ammiano
Supervisor Brown
Supervisor Katz
Supervisor Leal
Supervisor Teng
Supervisor Yaki
Clerk of the Board
Chief Administrative Officer
Controller
Mike Martin
Paul Horcher
Ted Lakey

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